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## TINAROO WATER COMMITTEE

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27<sup>th</sup> January 2026

### **Submission to the Queensland Competition Authority Irrigation Price Review – Mareeba–Dimbulah Water Supply Scheme Regulatory Asset Base (RAB) Approach**

**Submitted by:** Tinaroo Water Committee  
**Scheme:** Mareeba–Dimbulah Water Supply Scheme  
**Subject:** Regulatory Asset Base approach and future price paths

#### **1. Introduction**

The Tinaroo Water Committee (TWC) welcomes the opportunity to provide input to the Queensland Competition Authority’s irrigation price review for the Mareeba–Dimbulah Water Supply Scheme (MDWSS).

The MDWSS underpins a highly productive and diverse agricultural region in Far North Queensland. Irrigators are operating in an environment of increasing input costs, climate variability, labour pressures and biosecurity risks. Pricing outcomes must therefore be realistic, transparent and supportive of the long-term viability of irrigated agriculture in the region.

This submission focuses specifically on the proposed **Regulatory Asset Base (RAB) approach** and future price paths.

#### **2. Position on the Regulatory Asset Base (RAB) Approach**

The Tinaroo Water Committee acknowledges the intent of the RAB approach to provide consistency and transparency in irrigation pricing. However, the Committee emphasises that any RAB valuation and resulting price path must reflect **the practical capacity of irrigators to pay**, not solely accounting or regulatory frameworks.

Concerns remain that an overly rigid application of the RAB approach risks inflating prices beyond what is realistic for irrigators, particularly where historical asset values, asset utilisation and regional economic conditions are not adequately considered.

The Committee strongly supports a pricing framework that:

- Reflects the actual most efficient cost of the service delivered to irrigators.
- Avoids price shocks or steep increases.
- Recognises the age, condition and historical funding of scheme assets; and
- Maintains affordability to ensure continued participation in the scheme.



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### 3. Price Realism and Affordability

The Tinaroo Water Committee has consistently expressed the view that **prices must be realistic and the most efficient cost and affordable** for irrigators.

Irrigators in the MDWSS are price-takers in global and domestic markets and have limited capacity to absorb rapid or excessive increases in fixed and variable charges. Water prices that escalate beyond realistic levels place downward pressure on farm profitability, discourage on-farm investment and ultimately threaten the economic sustainability of the scheme itself.

Price outcomes should therefore balance cost recovery with regional economic resilience.

### 4. Price Caps and Future Price Paths

The Tinaroo Water Committee strongly supports **maintaining the existing price cap** for the future.

Maintaining the cap will:

- Provide certainty and predictability for irrigators.
- Allow businesses to plan and invest with confidence.
- Avoid compounding financial pressure during a period of broader cost escalation; and
- Enable a more gradual transition should any future pricing adjustments be required.

The Committee considers that retaining of the cap at where it is today, over the future price path periods is both reasonable and necessary, particularly given ongoing challenges facing irrigated agriculture.

### 5. Conclusion

In summary, the Tinaroo Water Committee submits that:

- The RAB approach must be applied in a way that produces the most cost efficient, **realistic and affordable pricing outcomes**;
- Irrigation prices should reflect irrigators' capacity to pay and the economic realities of the Mareeba–Dimbulah region.
- The existing price cap should be **maintained for the future** to provide certainty and stability; and
- Gradual, measured pricing decisions are essential to protect the long-term viability of both irrigators and the MDWSS.

The Tinaroo Water Committee appreciates the opportunity to contribute to this review and is willing to engage further with the QCA to ensure outcomes that are fair, balanced and sustainable.