ISIS CENTRAL SUGAR MILL CO. LTD.
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JG.IH

11 March 2019

Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

www.qca.org.au/submissions

Re: ICSM Response to Irrigation Price Review 2020-24

The Isis Central Sugar Mill Company Limited (ICSM) is an unlisted public company with a proud 120 year history in the Australian sugar industry. The company is owned by the approximately 230 growers that supply sugarcane to the mill. ICSM operates a raw sugar mill near Childers that has crushed in excess of 1.5mt of sugarcane in the 2012 season. In addition the company operates a cane railway network with over 150km of mainline and runs a substantial sugarcane farming business producing approximately 150,000 tonnes per annum.

ICSM has reviewed the submission provided by Canegrowers Isis Limited for this price path review and strongly supports the views in relation to the unaffordability of the proposed price increases for the dominant user of water in the Bundaberg Scheme – the sugar industry.

The QCA must consider the sugar industry's capacity to pay under section 1.4 (a) of the referral notice "balancing the legitimate commercial interests of the businesses with the businesses of customers, including less than cost reflective volumetric prices which are necessary to moderate bill impacts for customers" and Canegrowers Isis Limited submission details why the proposed price increases are both unaffordable and unsustainable for the sugar industry operating in the Bundaberg Scheme area.

ICSM believe the implementation of the Sunwater proposed prices would lead to less utilisation of the existing water allocations and an incremental negative impact on the local economy with less agricultural production and lower export income for the State of Queensland.

ICSM's recommends the QCA undertake socio economic modelling to quantify these negative economic effects from exceeding the capacity of the sugar industry to pay.

The cost pressures in the dominant industry for irrigation water use in the Bundaberg scheme are at a critical level and this issue must be recognised by the QCA in the draft report to Government to determine that less than cost reflective prices are required to moderate bill impacts for the schemes dominant volume customers.

Yours sincerely

John Gorringe
CHIEF EXECUTIVE OFFICER