



MEDIA RELEASE

QCA recommends new prices for SEQ irrigators

3 May 2013

The Queensland Competition Authority (QCA) today released its final report recommending irrigation prices for seven schemes in south east Queensland. The prices, if accepted by the Queensland Government, will apply for the next four years.

“Over the last 16 months, the QCA has analysed the costs of each scheme, consulting with Seqwater and irrigators. The QCA is recommending lower charges than submitted by Seqwater and changes to tariffs to better reflect actual costs.” said QCA Chairman Malcolm Roberts.

“The QCA believes the proposed changes will, over time, see irrigators contribute more towards the operating costs and renewal of the seven schemes and, by promoting water trading, will support high value agriculture in SEQ.

“The QCA recommends a 20% reduction from the costs proposed by Seqwater. The QCA considers that services can be delivered for \$4.5 million rather than Seqwater’s \$5.6 million.

“Unfortunately, in some instances the recommended charges will be higher than current charges. Irrigation prices were last set in 2006 and costs have increased over the last seven years. Irrigators are expected to pay about \$1.7 million towards the operation and renewal of the schemes.

“The recommended prices mean a Queensland Government subsidy of \$2.8 million in 2013-14.

“Price changes will vary from scheme to scheme. In most schemes, water use charges will fall in 2013-14 and increase by just CPI in the other years. For two schemes, water use charges will increase on 1 July 2013 but their fixed charges will fall.

“Where revenues are below the QCA’s estimate of total costs, fixed charges will increase each year by \$2 per ML (plus 2.5% CPI) until costs are recovered. In the case of five of the nine tariffs, prices will still be below cost recovery on 30 June 2017.

“The QCA recommends that Seqwater consult with irrigators every year to ensure that proposed scheme expenditure is needed and efficient.” Malcolm Roberts said.

The final decision on the proposed changes rests with the Queensland Government.

For more information visit: <http://www.qca.org.au/water/SEQIrrigPrices/>

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