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Queensland election: LNP water pricing promise applauded

Cotton Australia has welcomed the commitment of the Queensland Liberal National Party (LNP) to reduce rural water prices, if it is elected in October.

The LNP has committed to cutting water prices by approximately 20% from July 1, 2021, if it forms government. The LNP intend to implement recommendations from the Queensland Competition Authority (QCA) to reduce water costs by transitioning SunWater from an annuity to a regulated asset based (RAB) approach for financing asset renewals.

The announcement will provide some relief for farmers who are already doing it tough due to drought, which has impacted all cotton growing regions in Queensland.

Cotton Australia General Manager Michael Murray said the promise was a step in the right direction.

“Affordable and sustainable rural water prices are essential for the prosperity and jobs in rural and regional Queensland,” Mr Murray said.

“With regards to the specifics of the announcement, with the mechanism of shifting from an annuity approach to a Regulated Asset Based approach, Cotton Australia is keen to work with the LNP to fully understand the detail of this plan and the long-term contribution this proposed change would make to affordable and sustainable rural water prices.”

Mr Murray said while the promise was welcomed, both sides of Queensland politics can do more to support irrigators.

“Regardless of this announcement by the LNP, both the LNP and the Labor Party need to commit to ensuring no Queensland irrigator is paying above the Queensland policy of prices reflecting ‘lower bound’ costs, while pricing policy for those irrigators currently paying less than lower bound is driven by the need to ensure prices are affordable and sustainable, rather than a simple trajectory to ‘lower bound’ costs.

“We call on both sides of politics to make this commitment.”

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