

Irrigation Price Review 2020-2024 – Barker-Barambah Scheme.

In response to the QCA review of water prices in the Barker-Barambah irrigation scheme, and SunWater's proposal to eventually double water prices for local irrigators, it is my belief, as an irrigator and a member of the Murgon community, that water prices should not rise.

The main contention from SunWater is that prices must rise because of proposed insurance premium increases. Our scheme is already paying too much in insurance, with \$1.2M paid in premiums over the last six years, yet the two most recent floods, the two largest floods in this water catchment for more than 100 years, caused a combined damage bill for SunWater of less than \$630,000 for those two separate events. It is a poor business decision to continue, let alone increase, these insurance premiums. No business which spends its own money would ever consider taking up such an insurance policy, and SunWater (wishing to spend our money) shouldn't consider it, either. The State government, the owner of the assets which SunWater operates, has the capacity to insure its own assets, and I am confident it is able to do so at substantially less than the current policy.

Another substantial part of the proposed increases are the \$159,000 annual cost for Inspector General Emergency Management, as it relates to flooding. I can say this as someone who lives within a few kilometres of the dam wall, and who had flood water in every building I own, including my house, in the 2011 and 2013 floods, that in both floods the Bjelke-Petersen dam reduced the flooding on my property, less so in 2011 (the dam was 100% capacity, and 4m ran over the spillway), but significantly more so in 2013 (the dam was 50% capacity, and 1.5m ran over the spillway). In both flooding events the dam held back water from Barker Creek, allowing Barambah Creek water to empty first. In both instances this reduced flooding in the nearest towns of Cherbourg and Murgon. When it comes to flooding, the irrigation dam has proved to be a benefit to the wider community in reducing the effects of flooding. The dam reduces flooding damage not just for irrigators but for the community as a whole. IGEM costs should be a community cost and not just an irrigator cost, as all benefit from this aspect of the dam.

There are also other non-irrigation related costs relating to Bjelke-Petersen Dam which are put onto irrigators. The latest of these is the bathymetric survey of the dam, expected to cost \$61,000. I am not opposed to the survey, but I am opposed to irrigators having to pay for something which benefits recreational and fishing users of the dam. The dam was set up and constructed as an irrigation dam, and I have no objection to fishing and recreational use of the dam and the tourism benefits to the local community, but irrigators shouldn't have to bear the cost of surveys and work which aren't irrigation-related. In any event, as the dam will be empty within three months at the current rate, I'm sure a survey could be done on foot for much less than \$61,000.

Another, as yet unknown cost which SunWater is trying to factor into the proposed pricing increase is the anchor repairs for the dam, although a survey on the dam

anchor has not yet been carried out. Only once the survey has been carried out, to ascertain if such repairs are necessary, should they be imposed on irrigators.

Of the current \$1M p.a. which SunWater charges for the management of the scheme, the local community sees little of this money beyond the two wages being paid to the dam operators, who live in our community. SunWater is proposing to extract another 1.2\$M p.a. from a community with already high dependence on social security payments for the local economy, and what part of this money will be returned to the shops and businesses of Murgon or Wondai? Every increase in irrigation pricing, without any increase in water availability or reliability, removes incentives for local irrigators to invest money, to plant crops which feed the animals on other local farms and ameliorate the effects of drought across our state, and spend money in local businesses. Every increase is a dampener both on short-term profits and long-term investment in irrigation.

It is difficult for irrigators to know exactly the costs of operation for our scheme, and difficult for us to know if the charges we pay at the moment really represent the true costs of operation. But what is clear is that with the over-allocation of water by SunWater, combined with the dry seasons, mean we have a 36% reliability over the last 20 years, in a scheme which should be operating at 75% reliability. Combine the low water availability with dramatic increases in diesel (the state government doesn't control international oil prices, but does significantly tax it) and electricity (state government policies are responsible for significant increases in power prices), two of our other major costs, and it makes it a hard way forward for irrigators to now pay twice, as SunWater proposes, for water we often don't receive.

As I walk through the car park to various irrigation meetings, I don't walk past rows of brand new Landcruisers. I see my neighbour's ute, which is the same one he was driving 14 years ago, and my own, which was purchased second-hand around a decade ago. I hear stories of wives taking on paid, off-farm employment just to pay the farm's water bills. SunWater claims that the \$1M p.a. operating costs remain relatively fixed, whether Bjelke-Petersen dam is full or empty. Our irrigation businesses have to find ways of cutting costs in drought, when we can't generate the usual income because we have limited or no water allocation. SunWater should make further investigation into how it can cut costs when the dam is non-operational, and how there can be some relief (either by SunWater or the state government) of the part A charges when allocation is 25% or less.

In summation, I cannot see sufficient reason given by SunWater to justify a price rise in irrigation costs beyond CPI. And given the low reliability of the scheme over the last 20 years and the present dry conditions, some consideration ought to be given to relief of part A prices in periods of low or nil water allocation.

Yours truly,

Greg Cooney.