

Attention: Darren Page
Rural Irrigation Price Review 2020-24:
Queensland Competition Authority
GPO Box 2257
Brisbane Q 4001

28-11-2018

Lodged electronically @
www.qca.org.au/Submissions

Cotton Australia is the peak body representing the interests of Australia's 1200 cotton growers, of which approximately 1/3 are located in Queensland.

On average cotton generates approximately \$700 million (Farmgate) of export income for Queensland.

Water is an extremely important input for cotton production, and therefore irrigated cotton producers in Queensland have a very direct interest in this review.

Cotton Australia is a member of the Queensland Farmers Federation (QFF), and endorses that organisation's more comprehensive first stage submission lodged as part of this Queensland Competition Authority (QCA) process.

Many of Queensland cotton growers are also members of regional or locally based irrigation organisations, and Cotton Australia both encourages them to be directly part of this process, and for QCA to ensure that they have every opportunity to fully participate.

With regards to key issues that Cotton Australia would like to see comprehensively covered in this review, they include:

Provision for and apportionment of Costs Associated with Dam Safety

This is a huge issue, both in terms of cost sharing ramifications, and the potential magnitude of the costs. Cotton Australia is aware the QCA is to provide two sets of irrigation prices, one with Dam Safety costs completely excluded and one with a yet to be determined degree of dam safety costs included.

Cotton Australia submits this is a huge issue, and one that the irrigation community in Queensland has never had the need to consider in detail until now. It is therefore very important that the QCA allocates significant time and resources in providing factual information.

Cotton Australia's initial position is that Dam Safety costs should be completely excluded on the basis of:

1. The benefits of preventing/mitigating dam failure damage is a benefit to the entire community.
2. The costs associated could be so large, that if irrigators had been required to contribute to dam safety costs a dam was being considered, the investment in the dam may never have been made.



Advancing Australian Cotton

Electricity Costs

Cotton Australia submits that the Sunwater proposal to simply pass through electricity costs is flawed. No one knows better the impact of almost constantly rising electricity costs than irrigators, however, simply passing them through provides Sunwater with no incentive to minimise charges or increase efficiency.

Renewal Annuity

Cotton Australia calls on the QCA to examine very carefully the Sunwater management of the annuity accounts, to ensure expenditure is both prudent and efficient, and the expenditure has been properly allocated.

Access Charge/Minimum Account Charges

Cotton Australia calls on the QCA to closely examine the costs associated with the management of individual accounts, regardless of entitlement size and usage, and set a minimum access charge that reflects these costs.

As previously mentioned Cotton Australia also endorses all the issues raised by QFF.

For further information and/or on-going engagement on this important issue please contact Cotton Australia General Manager, Michael Murray – 0427 707868 or michaelm@cotton.org.au

Submission Ends