

As an irrigator and as Chairman of Director's with Pioneer Valley Water Mutual Co-operative Limited, I am very concerned about the inability of water users to pay for the pricing proposed for 2020-2024 under SunWater's Network Service Plan. Currently the sugar industry is receiving pricing below the cost of production, resulting in some irrigators having to stop using water and some having difficulties paying their water bills. Recovery from Cyclone Debbie is continuing for our region, heat waves & wild fires in late 2018 have also burdened the rural sector.

I had to personally stop irrigating in December of 2018. The season was dry, I had more water allocation available to use but had to stop in order to meet my financial cash flow obligations.

I receive Water via Pioneer Valley Water Co-operative Limited's Septimus Scheme. Currently I am paying \$114.78 per megalitre distributed to my metered outlet, with \$18.41 of the charge being for Sunwater's Part A and Part B Bulk Water Charges. Sunwater's proposed price for 2023-2024 are indicated to be \$26.47 (not including Dam Safety costs) which would be a 48% price increase.

To Irrigate, I use electric motors and centrifugal pumps, applying water with hard-hose high-pressure travelling irrigators. At 500 kilowatt hours of electricity, all used off-peak on tariff T62 at \$ 0.1644 per kWh, this equates to \$82.20 for my electricity per megalitre of water applied. Additionally, Ergon Energy charges a fixed fee of \$0.78451 per-day per-electricity meter. I have 4 electricity meters for irrigation, and with a water allocation of 176 megalitres, that additional fixed charge amounts to a minimum cost of \$6.51 per megalitre applied.

To place the hard hose irrigator and setup for irrigation requires using a 75-kilowatt tractor for about one hour, the approximate cost for which is \$65 per megalitre applied. To start and monitor an irrigator, costs approximately \$35 per megalitre in vehicle and labour on-costs.

<b>Cost Item Description</b>	<b>Cost (\$/MI)</b>
Pioneer Valley Water Co-op Limited	114.78
Ergon Energy Off-Peak usage charge	82.20
Ergon Energy Fixed cost	6.51
Labour cost for Irrigator setup	65.00
Labour cost for Irrigator start-up	35.00
<b>Total cost</b>	<b>Approximately 303.00</b>

The cost of \$303 per megalitre applied does not include repairs & maintenance of motors & pumps, irrigators, fittings, hoses and underground on-farm pipelines. Nor does it include depreciation, annuity and financing costs for on-farm infrastructure.

I expect that my sugar cane will yield 8 tonnes of cane per megalitre of irrigation water applied. This year my sugar cane should return \$28 per tonne of cane (after harvesting costs are taken out). That's a return on irrigation of \$224 per megalitre applied, a deficit of \$79 per megalitre!

Myself, and other irrigators in this region, find ourselves in a situation at this point in time where our crop return is below the cost of production, and we can no-longer afford to make productive use of our water allocations.

The rural sector more generally is also under enormous stress. Earlier this week I went to the Sarina store cattle sale and was shocked at how the price of store cattle has crashed from the effects of the flooding in the North & the drought around the rest of the state. One of my concerns is how some of water user's may interact with the staff of Pioneer Valley Water Co-operative Limited, who are

operating the schemes and are collecting SunWater's Bulk Water charges. (I feel some customers may become very emotionally upset).

This scheme was built to provide drought proofing, promote productivity and thereby support the regional community. It was never intended, nor is it capable of recovering lower-bound costs. I believe Sir Leo Hielscher was Chairman of Queensland Treasury Corporation for 19 years and would have been in office when Pioneer Valley Water irrigators signed up to take water from this scheme. I note that he is promoting an updated Bradfield water scheme as a nation-building investment, and I am concerned at the long-term outlook for such a proposal if state governments, through SunWater, continue to pursue a cost recovery agenda.

John Werner.