

Morning,

Barker Barambah Irrigator Advisory Committee- QCA Water Pricing Submission March 2019

Our scheme wishes to make this submission to QCA as part of the water pricing investigations. Your consideration to our concerns is appreciated.

#### Current Position

Last review had this scheme meeting lower bound costs. At this time QCA lowered medium priority water costs to still accommodate meeting lower bound costs.

On the 6/11/2018 costs of 1058 megalites @ \$118/ megalite of high priority free water to the South Burnett Regional Council were removed. This equates to a total of \$124,844 per year.

Over the five-year plan this equates to \$624,220.

#### Part A & Part B Water Charges

Discussions with irrigators in the Barker Barambah scheme have centered around a less onerous Part A in periods of drought.

Two scenarios have emerged that we ask you to look at.

Firstly, would be to consider decreasing the Part A price and increasing the Part B accordingly

Examples below are based on Sunwater receiving similar income within the five-year plan. The reliability of the scheme could be adjusted in each five-year plan as to sustain Sunwater's income.

The \$2.58 per year increase would still be adjusted each year.

Based on the current 15-year reliability of the scheme of 36% the following pricing could be appropriate.

Below example is based on reliability of 36% and a 100 meg allocation

Example- Part A @ \$32 (\$3200)

Part B @ \$10 @ 36% reliability. (\$360)

Total- \$3560

50/50 Payment- Part A @ \$17.80 (\$1780)

Part B @ \$49.45 @ 36% reliability. (\$1780.20)

Total- \$3560.20

The second consideration would be to have a drought relief mechanism whereby some assistance for payment of Part A would be provided at a reduced allocation/ drought declaration point. For us personally, if there is no allocation in 2020, we will have to come up with \$100,000 even though we have no water allocation.

## IGEM

Our scheme has been advised that as impactors in the flooding events, that our contribution of \$159,000 per annum be charged to the Barker Barambah scheme for the IGEM.

Since the BP dam opening in 1989, over the last 29 years there has been only two major flooding events which were 2011 and 2013. With both events, the BP dam had a significant positive impact on the downstream communities. Barambah Creek, which is unrestricted in flow, significantly rose water levels whilst the BP dam held water back on the Barkers Creek. This reduced the height and severity of the peak flood over thousands of hectares of land and local communities. In these instances, the local communities benefited greatly yet irrigators are the people who will be penalized.

We ask that these costs be removed from the Barker Barambah scheme and associated costs be worn by the greater community.

## Insurance Costs

We ask QCA to address the issue of excess insurance premiums for this scheme. QCA recommendations for the previous six years averaged \$86000 per year, which totaled \$516000. Sunwater's actual premiums paid were \$1,235,400.

Insurance payouts from the 2010/11 flood event were \$88300 in the 12/13 financial year and \$137400 in 15/16 financial year.

Payouts from the 2012/13 floods received were \$48300 in 15/16 and \$351100 in 16/17.

Total payouts for the two events were \$625,900.

Premiums paid for the six-year period were \$719,400 above the proceeds recovered.

These two events were extreme and yet they resulted in minimal damage. A considerable part of the costs were associated with back-up water into the pump house and electrical control room.

As it stands, the premiums paid are more than double the payouts received. Premiums need to be lowered and reflect that this scheme should be recognized as a relatively low risk asset.

## Bathymetric Survey

NSP 31/7/18 page 20 states that an underwater survey be conducted for hidden obstacles. This survey is a public safety initiative and should not be costed against irrigators. We ask that the projected \$61000 in 2020/21 be removed from irrigator costings.

## Weir Surveys

Surveys within our scheme are set to look at the quantity of water held between the weirs on Barambah creek. Our scheme feels these surveys are a money wasting exercise as nothing can be done to rectify the issue if one is found.

## Electricity costs

Sunwater's electricity costs in this scheme have risen greatly over the last price path compared to QCA recommendations. Sunwater actual figures from 2016/17 were \$74900 yet QCA recommendations were only half of this figure. Section 4.1 states that Sunwater are now going to pay attention to electricity costs. This shows a lack of management on Sunwater's behalf to only review a major cost to our system years later.

## Headworks Utilization Factors

Our scheme wishes QCA to make variations within our scheme to reduce the HUF to 68% in order to reflect the reliability reduction from 40% down to 36% for medium priority water users over the last 15 years.

## Recreational costs

Barker Barambah scheme currently pays approximately \$21,000 per year for the recreational area at the BP Dam. This figure has previously been as high as \$70,000 per year. We ask QCA to direct Sunwater to credit these costs to the scheme's annuity fund for both the previous price path and the up-coming price path.

## Renewals Costs

We ask that 20-year annuity period is not increased at this time for this scheme. There is a substantial speculative cost (about \$85 million) within the 30-year period for possible repair works to the dam anchors, however the assessment for the condition of these anchors will only occur within the next 5-year period. We feel that it is un-necessary and unreasonable to start paying for major repairs until they have been assessed as a requirement. After the assessment has been done, we can increase the annuity period.

## Socio- Economic Status

We ask that consideration be made for the fact that the region that we live in is one of the most stressed socio-economic regions in the country. Our towns and communities are totally dependent on the ongoing viability of our agricultural sector. We have had no significant inflows to the BP dam since the 2013 floods, we are currently drought declared and the BP dam has less than 10% of its capacity, so we are facing the prospect of zero allocation for the coming year. In previous years, we have received some government assistance with water pricing which has been greatly appreciated. We ask for consideration of further assistance.

## Drought Subsidy

We ask that a drought subsidy be provided for Part A charges during times when the area is drought declared and when Announced Allocation falls below a 25% threshold, in order to assist irrigators at times when they have a very reduced ability to pay these charges.

Many Thanks

Andy Hetherington

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