

Boyne River Irrigator Advisory Committee
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Re:- Pricing Submission

To Queensland Competition Authority,

After phone conversations with Tessie Tumaneng-Diete please accept my late submission.

As chairman of the Boyne River Irrigator Advisory Committee, I would like to put forward my submission on behalf of all Boyne River Irrigators. The issues that are relevant to the Authority's current investigation into water pricing for the Boyne River and Tarong water supply are as follows:-

1. Cost sharing for the previous price path (2006 – 2010) was 70% HP, 30%MP. The recent conversion of Medium Priority water to High Priority water for the South Burnett Regional Council will have changed the costing structure. The Boyne Irrigators were assured by DERM and Sunwater that all costs associated to the conversion would be passed on. The Boyne Irrigators **do not** want their water prices to go up because of fewer licences associated with the scheme. The conversion of Medium Priority water to High Priority water was only to happen if the viability of the Boyne Irrigators was not affected! We will be looking to the QCA to enforce these issues for this price path and the next.
2. The cost sharing from the last price path of 70% HP and 30%MP was based on water usage. The Boyne Irrigators would argue, that the cost sharing should be based on water storage volumes 80% HP:20% MP. We share the top 70% of Boondooma dam volumetrically with Tarong 70:30, with the bottom 30% being the 70,000 ML cut off limit, which is not used by the irrigators. The Boyne Irrigators would at maximum use 20% of the storage facility, but are hit with 30% of the usage bill. When Sunwater ask for a return on their asset, it is unfair that the Boyne Irrigators are asked to pay more than their share! High Priority users must store a lot of their water to gain their reliability, therefore they should pay for the water stored that they don't use.
3. With the water pricing review process underway a lot of the irrigators are expressing concerns with their ability to pay. The economic down turn, increasing costs, electricity up 15%, are all putting economic strain on all farmers. Farmers are price takers and not price setters, which means we cannot pass costs on to consumers. We would ask the QCA to consider this, how will Sunwater get a return on investments, if the irrigators cannot afford to use the water?

4. The Boyne Irrigators are unique in the Burnett River Basin with the lowest water reliability of 76%. In the last 10 years we've had 4 years of no released water from Boondooma dam (the level of the dam was under the 70,000ML cut off). This has put an enormous economic strain on the viability of irrigators on the system. Of the 4 years drought, 3 years were consecutive. Irrigators through this time had 2 choices. 1. Stop irrigating and suffer a reduction in production or 2. Invest heavily in capital structures like storage dams and flood harvesting equipment to keep the water flowing. Both options have caused economical strain, not to mention the emotional and physiological strain that a prolonged drought brings. The Boyne Irrigators are also unique in the fact that the drought was not altogether weather related. The drought for the Boyne Irrigators was caused, in part by the mismanagement of the scheme by the Qld Government. When the Qld Government implemented the 70,000ML cut off rule, it robbed the Boyne Irrigators of its reliability so that South East Queensland could have a reliable water source for Tarong Power station, with no compensation to the irrigators. In conclusion it seems unfair for the Boyne Irrigators to pay Sunwaters costs through a Qld Government implemented droughts. The Boyne Irrigators ask the QCA for special consideration be given to us during times when the 70,000ML cut off rule is enforced. If the part B of the charges were waived for this period, it would be greatly appreciated by the whole Boyne River Community and would go some way to elevated the pressure of the next inevitable drought. The Boyne River is unique in the Burnett River Basin and should be given special consideration. We believe that the Government has caused excessive droughts in our system and the irrigators should not bear the extra economic burden.

On behalf of the irrigators, please consider our thoughts on water pricing for the next 5 years.

Regards,

Ken Darrow
Chairman
Boyne River Irrigator Advisory Committee