M/S 1552
MURGON 4605
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Queensland Competition Authority
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I am an allocation holder and an advisory committee member of the Barker Barambah Irrigation Scheme.

Currently, Barker-Barambah Irrigation Scheme (BBIS) has been operating under the current ROP from the 1st July 2005.

Previous to this time, the Irrigation Committee in conjunction with Sunwater, DNR or WRC Engineering never once had the High Priority water run out, and was based on an allowance of 4000 meg for High Priority Water. However, within 8 months of the new rules being introduced, an irrigator meeting was called, because the announced allocation of 48% (which had only recently been raised the previous month) was going to run the High Priority water short.

Irrigators voluntarily surrended their water allocation with the understanding that this water, which was for the towns, would be returned as the "first available water." To this day, this 2122 megs of water has not been returned.

Following this, a CWSA has been in force, taking 8000meg as reserves for High Priority (double the original amount), so reducing the available allocation by 10% for Medium Priority users. The last water year 30-06-09, irrigators were again cut off supplies with many not getting 10% of allocation out of the announced allocation (A.A.) of 32%.

Some irrigators with ring tanks got their 32%, plus tempory transfers, which gave them considerably more.

The actual amount of Medium Priority water for this year was 14.2%.

The price for Part A of $20.16 and Part B of $11.52 would give a cost of $31.68 per meg for 100% allocation. At the long-term reliability of 85%, this would average $35.23 at today's pricing.
The actual pricing for this water ending 30-06-09 at 14.2% would be $153.49 per meg, and as most people used 10% (or less, in many cases) a 10% allocation would cost $213.12 per meg.

So far this year, in our own case, the allocation for the entire winter and summer crop was o% apart from a small allocation from Silverleaf Weir, costing us $437.75 per meg. These prices are unsustainable.

To set water prices based on full allocation and then fixing Part A regardless of Sunwater's ability to deliver, is unrealistic. The pricing is excessive in the years of low rainfall and drought, at the very time the farmers are least able to manage.

Using long term history to base a fixed Part A of such a high proportion of charges is unacceptable.

Sunwater, on the other hand, are in a much better position, as history shows the irrigation storages are mixed. While some storages are low or nil Medium Priority allocation, many are high or have full allocation. This then has little impact on Sunwater's business to their charges, based on A.A. or water delivery.

In terms of efficient water use, the charges should be on the water used, with minimal fixed charges. If the full cost was in the actual water charge, water would go to the higher return crops, give the greatest community benefit, and Sunwater would also have an incentive to maximize the water delivered.

In this period under the control of the ROP, there have been occasions of raising the A.A. in the last months of the water year, only to see carry-over limited or withdrawn. The effect of this is to see water being used in lower value situations, so farmers can recover a little of their fixed Part A charges. Farmers would need to be able to use their share of water at the time that would be of the highest value to them. This would best be achieved with the principles of capacity sharing and continuous accounting.

Last advice was that this would be some years away. It is imperative that a transitional system of carry-over and adjustment of rules in the ROP is made to achieve this in the short term.
Total water charges must reflect ability to pay after sufficient flexibility is incorporated into the ROP.

Water charges to Medium Priority users should reflect the lowered reliability caused by CWSA.

BP Dam has a safe yield of 16000 meg/year, and CWSA has placed a High Propriety of 8000 megs, plus a floor of 12000 megs before allocation can be announced (must be more than 5% MP). This is 75% of the annual safe yield of the BP Dam before any Medium Priority access.

The Government return on investment charges must be reflected in the charges to the High Priority sector.

Yours faithfully

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PR Enkelmann