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SUBMISSION TO THE ACCC
ON
THE STATE WATER PRICING DETERMINATION

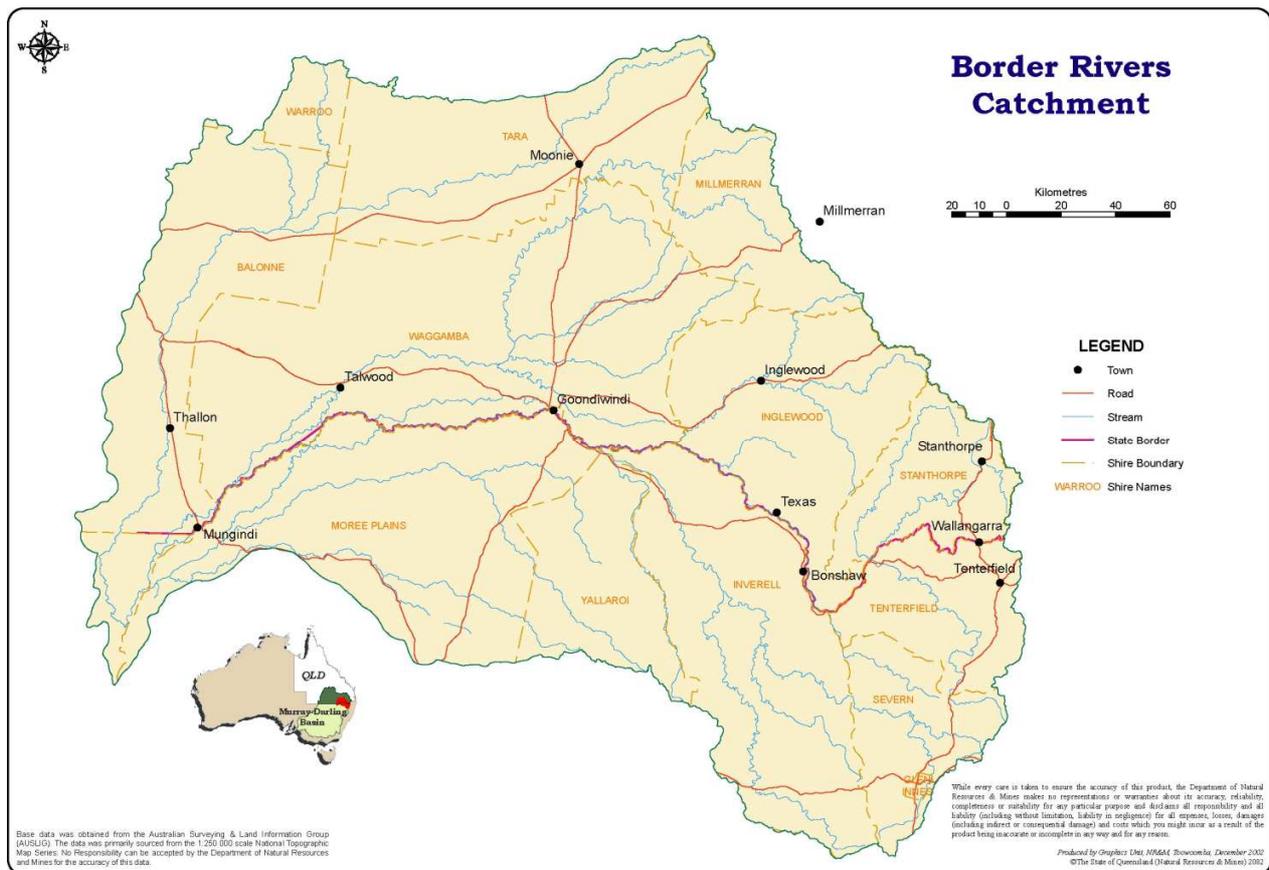
SUBMISSION DUE BY 5PM FRIDAY SEPTEMBER 13TH 2013

Prepared by
TIM NAPIER
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AFFILIATES: BOOMI-GNOURA GNOURA WATER USERS ASSOCIATION; DUMARESQ VALLEY IRRIGATORS ASSOCIATION; EASTERN RECHARGE GROUNDWATER USERS ASSOCIATION; LOWER WEIR RIVER WATER USERS ASSOCIATION; MACINTYRE BROOK IRRIGATORS ASSOCIATION; MACINTYRE RIVER BASIN WATER USERS ASSOCIATION; MACINTYRE VALLEY COTTON GROWERS ASSOCIATION; MOLE & SOVEREIGN WATER USERS ASSOCIATION; MUNGINDI WATER USERS & COTTON GROWERS ASSOCIATION; PINDARI WATER USERS ASSOCIATION; UPPER WEIR RIVER & TRIBUTARIES WATER USERS ASSOCIATION

INTRODUCTION

Border Rivers Food and Fibre (BRFF) represents the water users and entitlement-holders of the Border Rivers region of southern Queensland and northern New South Wales. These water-users responsibly utilise the water resources of the Macintyre Brook, the Dumaresq, Macintyre, Severn, Weir and Barwon River systems and the Eastern Recharge Zone of the Great Artesian Basin. Production from irrigated agriculture includes vegetables, herbs, stone-fruit, hay, cereals, coarse grains and cotton. Its contribution to the local economy exceeds \$500 million (farm gate) in average years.



This document represents the views of the members of BRFF, though individuals are entitled to their own views relating to their own circumstances.

BRFF is also a member of the NSW Irrigators Council and National Irrigators Council. Whilst generally endorsing their views, we maintain the right to hold independent positions.

Border Rivers Food and Fibre endorses the submission from New South Wales Irrigators Council on all major points on State Water Pricing Submission and won't seek to re-describe those points in this submission.

On local, specific issues we submit the following:

- The shift to 80:20 fixed to variable ratio is an unacceptable risk-shifting exercise in a valley with a reliability factor of approximately 42%. This will mean that in most years, irrigators will be paying for more water than they use.
- Given the increasing cost-pressures on irrigators and farmers more generally, this will increase the amounts of negative cash-flow in dry and drought years, increasing the likelihood of default and non-payment of fixed charges.
- From State Water's submission there appears to be a decrease in charges for the Border Rivers, as a result of lower capital expenditure and the removal of Border Rivers Commission costs from the overall fees from State Water decrease in the long term. We acknowledge that the BRC costs will still be paid by water-users, just through an alternative charging structure, so can't be seen to be a reduction in overall fees
- There is an increase in operating expenditure of \$392,626 being for:
 - 'Additional data analyses' from telemetered new meters. With the NSW Metering project having been withdrawn from the northern valleys, including the Border Rivers, we consider that telemetry will not be included on user-installed meters, so this inclusion is highly questionable. In any case, should telemetry be required by NSW Office of Water, we support the principle of 'beneficiary pays' so any new technology that benefits other parties, not water-users, should be paid for by them. Such optional extras should improve circumstances for water-users if they are expected to pay for them and it is not the case with telemetry, we believe.
 - Collection of crop statistics – In the Border Rivers, where water use is predominately on annual crops, it is only necessary to collect crop statistics annually, once a year. It seems unnecessary to include these costs for collection of this data 4 times a year, when the current system of annual collection seems adequate.

We reject the need for these inclusions given the speculative nature of their existence in any case.