

QLD COMPETITION AUTHORITY

- 7 MAR 2019

DATE RECEIVED

28 February 2019

Queensland Competition Authority

GPO Box 2257

Brisbane QLD 4001

Dear Professor Flavio Menezes

**RE: Part A and B charges be reversed**

In recent talks with other irrigators, discussions have centred around the less burdensome Part A in periods of drought.

Two scenarios have merit to consider:

1. 50/50% Part A-B
2. Reversing the current pricing.

The following examples are based on Sunwater receiving similar income, with-in the 5 year plan and the reliability adjusted each 5 years, to maintain the Sunwater receivables.

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

Based on the current 15 year reliability of 36%, the following pricing structure could be considered:

<u>Current Av. 5 year</u>	Part A @ \$32	100mg/l allocation	\$3200
	Part B @ \$10 @36% reliability		\$ 360
		TOTAL Sunwater Income	\$3560
<u>50/50 Payment</u>	Part A @ \$17.80	100mg/l allocation	\$1780
	Part B @ \$49.45 @36% reliability		\$1780.20
		TOTAL Sunwater Income	\$3560.20

*This would make a good transitional payment system.*

<u>Reverse Payment</u>	Part A @\$10	100mg/l allocation	\$1000
	Part B @\$71.11 @ 36% reliability		\$2560
		TOTAL	\$3560

Yours sincerely



Steven Reeves

**S & J Reeves Enterprises Pty Ltd**

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Steven Reeves

PO Box 410

Kingaroy QLD 4610

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Dear Professor Flavio Menezes

**RE: Drought Subsidy**

Medium Priority irrigators are paying more per Mg/L than High Priority users in drought years.

EXAMPLE:

High Priority	100% Annual Allocation		\$130 Mg/L
Medium Priority	25% Annual Allocation	30 Mg/L	equals \$120 Actual per Mg/L
PART B	\$ 10 Mg/L	\$ 10	\$130 Mg/L

ACTUAL 2019:

PART A - Medium Priority	\$25.30		
	20% Annual Allocation	\$126.50 Mg/L	
PART B	\$ 4.49 Mg/L		\$130.99 Mg/L

ACTUAL:

2019 High Priority PART A	\$118.11 Mg/L		
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Due to this imbalance in pricing, we ask that when the Barker-Barambah system is Drought Declared and the Annual Allocation falls below 20%, that the Part A charge is removed.

Yours sincerely



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Dear Professor Flavio Menezes

**RE: Insurance costs and proceeds – Barker-Barambah**

We ask QCA to look into the issue of excess premiums for this scheme. The increase in Premiums over the QCA approved (6 years @ Av. of 86 year which totals \$516), is \$719.4 more than the insurance proceeds of \$625.9 some years after the event.

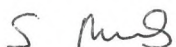
Very minimal damage occurred, even though the two floods of January 2011 and January 2013 were extreme events. A considerable part of the costs was back-up water into the pump house electrical controls.

					\$'000
Total premiums 2012/2013 TO 2017/2018 (6 YEARS)					\$1235.4
QCA premiums 6 YEARS Approx					\$ 516.0
Difference					\$ 719.4
					TOTALS
Insurance proceeds 2010/2011 event	88.3	2012/2013	137.4	2015/2016	225.7
Insurance proceeds 2012/2013 event	48.3	2015/2016	351.10	2016/2017	400.2
					625.9

Currently the premiums are double the proceeds received and the ongoing insurance premiums need to be lowered because of the impact on costs for future water charges.

Recognition of this scheme as a relatively low risk asset should be made and premiums be adjusted to reflect this.

Yours sincerely



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Dear Professor Flavio Menezes

**RE: Inspector-General Emergency Management contribution be removed**

As we have been impactors of flooding events we have been advised that a contribution of \$159,000 per year will be charged to the Barker-Barambah Water Scheme for the IGEM. We believe this is an unnecessary charge for the following reason:

Since the infrastructure on the Barker-Barambah system included the B P Dam; there have only been two major flooding events (in 2011 and 2013). The Barambah Creek was unrestricted in both events; however, the B P Dam on the Barkers Creek had a significant positive impact. During the peak flooding in both 2011 and 2013, metres of water, over thousands of Hectares were held back from both catchments.

Our whole community have benefited from this and the irrigators should not be penalised for a positive impact on flooding generally.

We ask that the IGEN contribution be removed from the Barker-Barambah Scheme and costed to the general community.

Yours sincerely



Steven Reeves

S & J Reeves Enterprises Pty Ltd