

To Queensland Competition Authority,

From Bob Anderson,

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Please allow me to make a submission into water pricing.

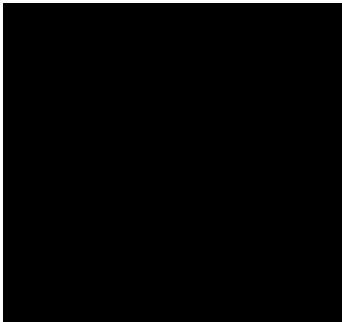
We are an average size2 family farm described by our bank manager as better than average. We have farmed here for 33 years.

No doubt you would have plenty of replies to the proposal to the pricing of water for the next five years from represented bodies- however I don't feel that they have typical grass roots experiences hence my letter.

Irrigation farming in the last ten years has become increasingly worse to such an extent that any further increases in expenses will result in more failure of irrigators.

We have seen mass increases in cost in all crops which we have the choice from to grow with irrigation. There has not been any increase in returns which go anywhere near corresponding .Despite the fact that we have sold well and maintained a reasonable production throughout the drought.

This demise is shown out by my taxable income for the last five years-



2009-10 has not been finalised but it looks very likely to be 0. AS A RESULT WE HAVE HAD TO BORROW AN ADDITIONAL \$800000 TO GROW THE 2010-11 CROP

We are led to believe that we are better than average so you see we are hardly in a position to pay any increase in water charges

In fact it is about time SunWater took a cut in their income and learned to cut their expenses and live on nothing for 4 out of 5 years. Despite these figures that we have all been experiencing we still pay all of our part A water charges whether we get the water or not (hardly fair is it). At least with all other expenses we only pay for what we use. Perhaps they can see into the future and realise that we all need to survive- no good the water providers being the only ones left here.

There is only one possible sure plan for water pricing. **NO MORE PRICE RISES UNTIL OUR PRODUCTION AND RETURNS RECOVERS TO A LEVEL THAT WE CAN AT LEAST EAT A REASONABLE MEAL.**

Our capacity to pay is strongly eroded by leaking (channels causing salinity) which after about 30 years was finally agreed that it did leak and SunWater decided to line a fair bit of the channel. This stopped at my boundary and after a couple of years of funding the project was stopped.

The project is far from finished and severe damage is still being caused by leaking from the next section of channel and severely reducing the productivity of a large portion of my farm. After 33 years of channel leaking onto about 15 farms it is a miracle that there is still as many irrigators here as there is.

The project must be finished so that we can farm all our land and improve our capacity to pay. As the money that is lost comes off the top and it very seriously affects our viability and capacity to pay.

A total of (approx) 100 acres has been affected on our farm i.e. 20% of our farm- which converts to a much larger % of profit earning capacity – this leaves us to a very low capacity to pay. All of this 100 acres has had to be farmed.

Our capacity to pay should be calculated by looking at our bottom line not the top line as many government bodies appear to do, so we can get water to more productive land.