

16 September 2024

The Manager
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Sir or Madam

Re: Response to Rural Irrigation Price Review 2025-29 Draft Report

Thank you for the publication of the above report and the opportunity to submit our feedback for your consideration.

CANEGROWERS Burdekin Ltd (CBL) is a not for profit, member owned company which represents the interests of 205 cane farmers in the Burdekin community who collectively produce approximately 2.3 million tonnes of sugarcane.

CBL endorses the recommendations contained in the submission from Queensland CANEGROWERS Organisation Ltd (QCGO) which has been provided separately to the QCA. In addition to this submission, CBL would like to offer the following for consideration as part of your review:

Burdekin Channel – Giru Groundwater

The QCA in Section 9.4.2 Burdekin-Haughton Distribution System page 114 commented that their preliminary view is; *'that Haughton Zone A (including the GBA) is a system that is materially supplemented by water delivered by the channel system'.....'there does not appear to be a basis for providing a discount to the Giru Groundwater tariff group customers to account for 'unsupplemented yield' and.....'the Haughton Zone A (including the GBGA) remains materially supplemented by water delivered by channel infrastructure.'*

Should the QCA proceed with this preliminary view, and there is no price incentive for irrigators to pump groundwater, the current allocation to the GBGA requires review as irrigators therein are at risk of having an insufficient water allocation to formally provide for irrigators needs as the underlying supplemented allocation is only 20,549ML. Originally, the combined allocation of the GBGA was 40,249ML based on natural yield of 19,700ML and 20,549ML of supplemented water delivered by the channel system. If the QCA's position is not to recognise this 19,700ML of unsupplemented yield, it is CBL's recommendation that Sunwater needs to increase its total allocation by 19,700ML from 20,549ML to 40,249ML. This increase should be sourced from the Burdekin-Haughton Scheme overall nominal loss allocation.

Certainty of supply for GBGA irrigators will become even more important in future as potential new users of water may place increased pressure on the system via competition for limited water resources. The current review process of the Burdekin Water Plan has already identified a number of new users for Burdekin water. It is CBL's recommendation that existing irrigators security of water should take precedent over future new users of water and to protect this position, Sunwater should increase its supplemented allocation for the GBGA to 40,249ML.

Price Incentive for Dewatering and Conjunctive Use

Please note that it is CBL's position that there is natural yield in the GBGA, however it remains largely unutilised as irrigators have opted to meet the majority of their needs from channel distribution water. The unintended consequence of this outcome and in the absence of a price incentive for irrigators to pump groundwater, is that there will be ongoing environmental implications for rising groundwater in the Burdekin. Our original recommendation in our submission dated 28/02/2024 still stands in that irrigator's in areas (currently Mulgrave, Upper Haughton and GBGA) where rising groundwater is an issue, or a potential issue, should receive a dewatering price incentive to pump groundwater for conjunctive use and that this concession and cost of administering same should be funded as a CSO.

Support for QCA's Role

CBL supports the continued involvement of QCA in the rural irrigation price review process. Whilst we understand that the QCA review process is considered complex, costly and time consuming, we see value in the outcomes provided by the involvement of QCA in the rural price review process. The QCA provides a necessary overlay for stakeholders to keep checks and balances in place for Sunwater who at the end of the day is a monopolist provider of water. Water is an essential commodity that needs to be affordably priced to encourage its use to create economic value. Industry cannot afford the risk of prices being set too high for water that threatens both their underlying viability and impedes their future growth potential.

Should you have any queries in this regard, please do not hesitate to contact me on 4790 3600 or via email to bdk@canegrowers.com.au.

Yours faithfully



Owen Menkens
Chair
CANEGROWERS Burdekin Ltd