

29 November 2011

Water Submission – D.McColl, PO Box 246, Walkamin

To whom it may concern

I am writing to express my concern that excessive fixed charges applied by Sunwater will force smaller, domestic users out of the market in the Mareeba-Dimbulah area. This represents a significant loss of potential revenue for Sunwater. There are a growing number of smaller rural lifestyle blocks in the Mareeba-Dimbulah area, reflecting the Tablelands "tree change" trend (see the Queensland Government's *FNQ2031 Regional Plan*). We use channel water for household use, domestic animals, small orchard and vegetable garden. We don't make an income from the property, therefore I'm having trouble understanding how we fit in the business models in the Issues Papers. Because of the threat of escalating water costs, new residents to the area have decided not to rely on channel water, but to truck in water and store it in large tanks. Prohibitive charges will remove the growing lifestyle market from Sunwater's client base. If prices continue to rise, I worry that it will become uneconomical for us to continue to access channel water and we will also be driven to seeking alternative water sources. Perhaps a different pricing structure should be introduced for users of under 5 Megs, recognizing the lower level of service required from Sunwater?

In addition, I wish to raise concerns that economics alone should not drive pricing structures. Pricing decisions must go beyond short-term economic modelling and consider the financial and environmental impacts of excessive irrigation in terms of future salinisation making land unviable for farming. Jensen et al 1996, Rose et al 1996, Lait 1998, Webb et al 2005 have raised concerns about rising groundwater and substantial salt stores, and Nelson, Whitehead and Link (2007) specifically call on irrigators and irrigation system managers to be included in efforts to manage groundwater and reduce recharge volume. The new pricing system should reward growers for introducing water efficiency measures and for watering less. While I am a strong advocate of a sustainable and prosperous agricultural sector, I'm not comfortable with personally subsidizing or offsetting their irrigation costs. I would support a reduction in our fixed costs and an increase in the variable charges.

I hope you will also consult with experts within CSIRO, the Greenhouse Office and State Government agencies about the effects of climate change and peak oil on land use and the types of crops that are grown in the Mareeba-Dimbulah area. We have just had the driest and wettest years in recorded history over the past two years. I hope your modelling is taking these highly variable climactic conditions into consideration.