



Mareeba Dimbulah Irrigation Area Council
PO Box 1359
Mareeba QLD 4880

Chairman: Joe Moro: 0418 966 960
Secretary: Bronwyn Dwyer: 0428 891 462



Irrigation Price Review 2020-24

Key Issues of Concern

Mareeba Dimbulah Water Supply Scheme (MDWSS)

Declining Block Tariff Modelling

In order to fully consider the cost implications of the proposed price path the MDIACouncil will require SunWater / QCA to model pricing based on our scheme's current declining block tariffs

Retention of the Declining Block Tariff System

Retention of the existing Declining Block Tariff System for the MDWSS as this system ensures the long-term viability & the capacity to pay of the larger irrigators who hold the majority of the water allocation which in turn ensures the long-term viability of the scheme.

Insurance Costs

During the local management process there was investigation into self-insurance. Is there an opportunity to include self-insurance as part of this price path investigation?

Are there assets in our scheme which are listed as insured which are in fact uninsurable?

Access Charge

The MDWSS currently has a FIXED access charge. The MDIACouncil would like to review the access charge to determine whether it is still appropriate that it be FIXED.

Electricity

The direct pass through of electricity pricing through the volumetric tariff (parts B & D) continues to drive unaffordable water prices for the re-lift irrigators in the MDWSS.

The Local management process gave us an opportunity to look at driving efficiency through options such as hydro and solar. The MDIACouncil would like to see SunWater actively driving efficiency gains.

The MDIACouncil asks that SunWater models the impact of the phase out of the irrigation electricity tariffs by 2020, which we believe the re-lift pumps are currently on.

Volumetric Water Charges (Parts B & D)

We believe that the State Government's directive to implement cost reflective volumetric charges will drive up the water prices in the MDWSS scheme – particularly for re-lift customers who already have very limited capacity to pay.

The proposed priced cap should apply to the combined volumetric water charge increases (parts B & D combined) and a community service obligation should remain in place until State Government drives SunWater to improve efficiencies (particularly with electricity).

Fixed Water Charges (Parts A & C)

The proposed price cap should apply to the combined fixed water charge increases (parts A & C combined) rather than the proposed price cap on each part.

Flood Management and reporting costs

Irrigators should not be forced to bear the full cost associated with flood Management and reporting as arguably these services benefit the wider community.

Meter Replacement

We require explanation on SunWater's non-routine forecast for meter replacement. Over the next 5 years in the Bulk NSP they forecast to replace 9 meters at a total cost of \$50,000 (ave. \$5,555.55 per meter). In the Distribution NSP they forecast to replace 48 meters at a total cost of \$1.215Million (ave. \$25,312.50). Why is there such disparity in the cost of replacing a meter in the bulk v distribution?

Corporate and Local Area Support Costs

We require explanation of the allocation process of corporate and local area support costs. There is a substantial forecast increase in local area support costs from 2018/19 and the corporate support costs also continue to increase.

Dam Safety

The State Government's directive to QCA to investigate the proportion of dam safety upgrade capital that should be allocated to irrigators is unacceptable.

Dam safety is a cost that should be borne by the wider community.

It will be impossible for QCA to have accurate costings on future dam safety upgrade projects and as such any future water price increases as a result of dam safety cost apportionment will be guess work at best.

Cost of Recreational Activities

The MDIACouncil has always argued that irrigators should not be burdened with the costs of recreation and as such supports the State Government's decision that recreational costs are passed on to the wider community

QCA Regional Workshops

The MDIACouncil requests that QCA holds a Regional Workshop in Mareeba in early February 2019.

Furthermore, we request that QCA co-ordinates the meeting through the MDIACouncil Secretary, Bronwyn Dwyer who is contactable on 0428 891 462 or bronwyn_dwyer@canegrowers.com.au

Yours faithfully



Guiesppe Moro
Chairman MDIACouncil