

28 February 2024

The Manager
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Sir or Madam

Re: Rural Irrigation Price Review 2025-29

Thank you for the opportunity to provide an initial stage stakeholder submission 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 submissions from both Queensland Farmers Federation (QFF) and Queensland CANEGROWERS Organisation Ltd (QCGO) which have been provided separately to the QCA. In addition to these submissions, CBL would like to offer the following for consideration as part of your review:

New Tariff Group for Dewatering

There is a well-documented rising groundwater issue in the Burdekin Haughton Water Supply Scheme which Sunwater are currently testing solutions for via the '*Lower Burdekin Rising Groundwater Mitigation Project*'. Areas currently affected by rising groundwater are; Mulgrave, Upper Haughton and the Giru Benefitted Area (GBA) and more will follow in due course in the absence of proactive action. The solution which has the overwhelming support from growers is for dewatering, where in addition to Government, growers directly have the ability to be part of the solution in some cases by using on-farm infrastructure to pump groundwater to assist with the dewatering process. Such conjunctive use would help the Government save money on solving the rising groundwater issue and achieve positive outcomes for the environment in combatting the spread into other adjoining land areas which would provide a community benefit.

It is a well-known fact that you get the behaviour you incentivise and there is no financial incentive for growers to draw groundwater for irrigation needs, because surface water is the easier go-to option for growers to access this essential commodity owned by the Government. This lack of pricing incentive to use groundwater was previously identified as an impediment in DNR's paper titled '*Lower Burdekin Groundwater Strategy Project Discussion Paper August 2017*' on pages 20 - 21 Incentive Measure 1 – Reviewing the Pricing Mechanism. Whilst this pricing anomaly continues, growers will continue to choose surface water over groundwater unless the price of groundwater (after accommodating an appropriate energy cost for pumping) is materially less than surface water.

In areas where rising groundwater is or could become an issue, having an equivalent price for surface water and groundwater is only going to make the rising groundwater issue worse over time. Growers need to be encouraged via a price incentive to use bores to bias the use of groundwater over surface water which would address the rising groundwater issue and in the case of the GBA also utilise natural yield.

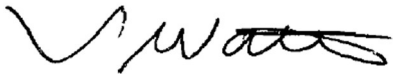
Given the community and environmental benefits that would accrue by dewatering, it is recommended that the concession in prices granted to growers to preferentially access groundwater over surface water should be captured as a community service obligation (CSO).

The Government needs to start planning and preparing now for a new pricing mechanism that puts a concessional rural irrigation price specifically on the use of groundwater for dewatering purposes. In addition, the use of any such water for dewatering by affected growers should not form part of their water allocation.

We look forward to participating in your stakeholder workshops in July/August 2024 and providing a further submission if required in September 2024.

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



Greg Watson
Manager
CANEGROWERS Burdekin Ltd