



19 April 2024

Briefing for Tom Smith MP, State Member for Bundaberg

Bundaberg Ag – Food and Fibre Alliance Ltd (BAFFA) was formed to provide a united agricultural voice to advocate on behalf of the food, renewable fuel, foliage, and fibre sectors in the Bundaberg region.

BAFFA provides opportunities for existing agricultural industry groups to discuss opportunities and common significant issues facing agriculture in the Bundaberg region and to provide a unified point of contact for government and investors to engage with the region's agricultural industry, as well as ensuring the region is getting the attention and resources provided by all levels of government required to support agriculture in the Bundaberg region.

In 2021/2022 Agriculture, Forestry and Fishing accounted for \$1.958 billion of gross value in the Bundaberg regional council area. The total for all industry sectors was \$9.248 billion. ¹

Intensive irrigated agriculture is the foundation of the Bundaberg economy and accounted for around \$1.727 billion or 18.6% of the total for the regions gross value.

Local Government

There is no statutory constraint on local governments' power to determine rate changes, and under the *Local Government Act 2009*, local government is granted a discretionary power to levy "special rates and charges". The visibility of local government budgets is also limited under the *Right to Information Act 2009*. This has created an unsustainable system which provides local government with unfettered powers and the ability to effectively plug budget gaps through rising rating revenue on select industries.

The Queensland government's '*Guideline on equity and fairness in rating for Queensland local governments*' sits alongside the legislative framework. It outlines the fundamental principles local government should apply in their decision-making process including equity, fairness, and predictability.

Compliance with the guideline, however, is not mandatory.

We are requesting the mandating of the '*Guideline on the equity and fairness in rating Queensland local governments*'.

This would provide greater predictability in the rates determination process for our members and increase the transparency of the Bundaberg local government budget.

¹ Source: [National Institute of Economic and Industry Research \(NIEIR\) ©2023](#). ©2023

In support of this request, we are aware that the Local Government Association of Queensland (LGAQ) has endorsed the motion to make the existing Queensland Government 'Equity and Fairness in Rating for Local Governments Guideline' mandatory rather than discretionary at the 2023 LGAQ Annual Conference held from 16-18 October 2023.

Paradise Dam

BAFFA is extremely concerned that the urgency to rebuild Paradise Dam by the State and Federal Governments is waning and that the Olympic infrastructure and Clean Energy infrastructure requirements will be to the detriment of the timely rebuilding of Paradise.

We request your assistance to get an indicative timeline or actual build commencement and finish date before the end of the 2024 water year. (June 30, 2024)

We reiterate the agreed Water Resource Plan operating rules that were agreed with SunWater when the Paradise situation was first publicly raised and are appreciative that SunWater has recently recommitted to these undertakings:

- *All Burnett (SunWater owned MP and HP) unsold water including the reserves on the Southside be removed from the AA calculations.*
- *That no amount of unsold Burnett Water on the south side be retained for allowance for temporary transfer by SunWater. Irrigators pay Part A and C on all our nominal entitlement, and we wish to see AA maximised. There is already sufficient formal and informal infrastructure available to allow irrigators to TT unwanted water between themselves.*
- *That a mechanism to bring the unsold nominal allocation back into the ROP be identified and documented by SunWater so that when Paradise is restored, or alternative Structure/arrangements are made, we understand what will happen.*
- *That SunWater give a written undertaking that the 15% Burnett irrigators share of Fred Haigh Dam will be used only as a last resort and that the IAC be advised when SunWater deems it necessary to draw on FHD.*

SunWater Electricity Cost Pass Through (ECPT)

The Bundaberg scheme has significant lift and relift segments and is a high electricity requirement scheme with significant electricity costs incurred to deliver water to irrigators.

Over a 16-year average, Bundaberg distribution accounts for around 43% of all SunWater schemes use in annual kWh terms.

For the past 16 years we have worked with SunWater and others to identify methodology that would enable electricity to be treated as a pass-through cost in the Bundaberg Scheme.

In 2020 we were advised of a methodology that was acceptable to SunWater and following representations by ourselves, Queensland Farmers' Federation (QFF) and the Burdekin representatives to Minister Lynham, QCA and others. The 'no-one is worse off' electricity cost

pass-through trial for irrigation customers in the regulated Bundaberg distribution scheme commenced in 2020. (See attachment A)

The outcomes of the trial saw the following overcollection from electricity allowances returned to Bundaberg Scheme Irrigators:

2020/2021	\$ 14.88 / ML resulting in \$1,913,400 returned by credits across the scheme.
2021/2022	\$ 13.26 / ML resulting in \$ 695,200 returned by credits across the scheme.
2022/2023	\$ 12.29 / ML resulting in \$ 732,200 returned by credits across the scheme.

We understand that the current price path has been extended by 12 months and have written to Minister Butcher requesting that the cost pass through trial also be extended for a further 12 months to match the end of the current price path.

We would appreciate it if you would seek a meeting with Minister Butcher, yourself and two representatives from BAFFA at a time and location suited to Minister Butcher and yourself so we can present the benefits and answer any questions that you may have.

Other Issues

Electricity Affordability

Solar Feed in Tarriff: (SFIT): We are advised that the Network component of all ERGON electricity bills faces potential increase from the Powerlink transmission charges and the impacts of inflation on the network.

At present the Solar Feed in Tariff (44c/kWh) is collected by the network. We suggest that, as has occurred in the past, that this be paid from general revenue and in so doing provide relief for all ERGON customers.

Large Customer Classification: The 100mWh threshold is set in National Regulations and while most jurisdictions in the National Electricity Market (NEM) have a 160mWh threshold, Queensland doesn't. A potential solution that will be of benefit to the operation of the grid is to introduce assignment rules to 160 mWh for the solar soak tariffs.

Farm Theft

The incidence of farm theft has risen dramatically. Alloway, Farnsfield and to a lesser extent Gin Gin, have all experienced a marked increase in farm theft.

Mining

There would appear to be small deposits of gas and coal in the region however, the potential impact on our groundwater resource and our farming lands has already created significant distrust and opposition to the extraction of these resources. Mining and resources account for less than 1% of gross value added for the Bundaberg local government area.

BAFFA suggests that sustainable food and fibre production take precedence over resource-based activities in our region, and we strongly recommend that this region's future land use be classified as being only available for food, fibre, and foliage production.

BAFFA remain strongly opposed to any mining activity that threatens agricultural land, water security and the livelihood of our farmers in the Bundaberg region.

Mark Mammino
Chair

Dale Holliss
Executive Director

Peter McLennan
Director

Dean Cayley
Director