




Speech By
Dale Last

MEMBER FOR BURDEKIN

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WATER (LOCAL MANAGEMENT ARRANGEMENTS) AMENDMENT BILL

 **Mr LAST** (Burdekin—LNP) (3.16 pm): I rise to contribute to the debate on the Water (Local Management Arrangements) Amendment Bill 2016. This is an important bill for my area, which has one of the largest irrigation schemes in the state centred on the sugar industry. Following the irrigation price path announced in 2012, irrigators raised concerns about the long-term sustainability of the existing SunWater irrigation channels, and I am pleased that up to eight channel irrigation schemes will be transitioning to local management arrangements under the ownership and operation of local irrigators who benefit from the scheme. This is certainly an opportunity in a time of spiralling water and electricity costs to keep downward pressure on costs in order to remain viable. Importantly, the transition to an LMA will allow our farmers to irrigate their crops to achieve maximum crop growth during peak irrigation times.

The transition to LMAs will empower our agricultural communities across the state by giving the control that is required to manage and grow their sectors in their respective regions. All eight of the schemes—namely, Bundaberg, Burdekin-Haughton, Eton, Emerald, St George, Theodore, Lower Mary and Mareeba-Dimbulah—fall within major intensive agricultural regions with cotton, horticulture and sugarcane industries represented. Burdekin chair Mario Barbagallo has publicly stated that he hopes the current state government understands the importance of moving forward with the implementation of locally managed irrigation schemes. He said that giving water users more opportunity to manage their supply schemes will make them both more efficient and more responsive to customer demands. I could not agree with him more.

I note that four of the schemes—Eton, Emerald, St George and Theodore—are ready for local management, with the remaining schemes to come online this year. In my electorate of Burdekin, an LMA will enable earlier replacement of assets nearing end of life such as concrete channels at Clare, Millaroo and Dalbeg, address rising groundwater issues and replace a number of ad hoc water supply arrangements that currently exist. The benefits of an LMA will mean local ownership, local offices and pricing decisions made locally to protect irrigator viability, greater incentives to reduce costs, choice with regard to pricing arrangements, better engagement with customers on critical decisions, capping the cost of the schemes to the taxpayer and greater transparency.

I note that there are significant differences between the schemes in terms of risk, age, viability, scale, operation, customer culture and local politics which must be taken into account in the design and execution of local management arrangements. The potential risks to government and scheme customers that could arise through moving to local management are likely to be successfully mitigated through implementing a well-planned stage 3, with a focus on achieving long-term sustainability of the new entities and sound governance arrangements.

I know in my area I would like to see an expansion of the area to incorporate those areas south of Home Hill, which is ideally situated to capitalise on growing agricultural opportunities. I refer here to the Elliot Main Channel proposal which has been on the drawing board now for several decades. It is

certainly something that would open up all that land between Home Hill and Bowen to intensive agriculture, and it would present a massive scope and massive opportunities. There is an opportunity here for the government to invest in this scheme, to grow the irrigation areas which will in turn provide a boost to the local and regional economies. I would encourage the government to take on board those economic development opportunities that go hand in hand with investment in water infrastructure. It is also important to understand that the due diligence process has identified that a number of these schemes will require significant capital investment in asset refurbishment and renewal over the next 30 years. I hope this has been taken into consideration by the government.

It is interesting to note that since 2000 price paths have been set with the intention of closing the gap between costs and revenues and achieving cost-reflective pricing. In practice, the gap has in fact commonly grown, with the consistent underestimation of costs and/or inadequate price increases illustrated by the fact that predicted break-even years have seldom been achieved.

In summing up, I would ask the minister to confirm to this parliament that the government is dealing with the issue of final separation payments in a fair and equitable manner. I know it is something that has caused a lot of angst and anxiety out there amongst the LMAs. It is an important issue to ensure that this is finalised in a timely manner. I know there is significant concern amongst the affected entities regarding this issue. I would highlight that irrigators are concerned with bulk water prices. I would ask the minister to tell us what undertaking he would give to lock in a QCA type process to ensure prudent and efficient costing of water to our farmers in the future.