

South Burdekin Water Board

28 Ninth Street, PO Box 376, Home Hill. N.Q. 4806

29 November 2002

Mr EJ Hall
Chief Executive
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Mr Hall,

RE: BURDEKIN DRAFT REPORT – ASSESSMENT OF WATER PRICING

On behalf of this Board, I refer to Draft Report, “Burdekin Haughton Water Supply Scheme; Assessment of Certain Pricing Matters relating to the Burdekin River Irrigation Area”, and provide the following in response to its release.

The Board Chairman and Directors have instructed that I formally place on public record the Boards response to this Report.

The South Burdekin Water Board participated in the assessment, as it has with previous information gathering programs, to convey it’s understanding by simple statement; “the Board asserts that Burdekin River Water Rate (price) per megalitre to the Board as a Bulk User should only reflect operations and maintenance of the Dam Storage Release, and considers that the Pricing Policy under review should seek that equity retrospective to conception, with due regard to the Waiver of Capital Contribution toward the cost of the Burdekin Falls Dam”. (refer 1992 Industry Commission Inquiry)

Unfortunately in reference to analysis displayed in this report, the Delta Water Boards now feel that submissions to this assessment, as with others, appear to have merely provided participation in a public consultation process where terms of reference could be said to favor a selective view with focus on justification of preconceived outcomes.

The Draft Report makes no mention of the Delta Water Boards Statutory roles and responsibilities which unlike SunWater, are required by legislation to pay for Burdekin River Purchased Allocation Water at the gazetted Burdekin River Irrigation Area Price on the same basis as an ‘irrigator’ or ‘sugar cane farmer’.

Please note, this response is not intended as reflection on the work of the Queensland Competition Authority. The Board understands that this independent consultancy was restricted by Ministerial Direction which confined the assessment to those key points relative to terms of reference. Unfortunately, community interpretation of this draft would support concept that this report by its independent authority favors a view that the report firmly seeks to establish acceptance of Water Price Methodology conceived under Water Reform 2002 objectives for an existing scheme which released regulated water from the Burdekin Falls Dam for the Delta Boards back in 1987.

It would therefore seem relevant to recap history briefly at this point, as Water Supply Licensing in the Burdekin Delta Area was established under the Water Act 1926, and because the Delta section of the Burdekin River was deemed an unregulated stream, riparian licenses generally recorded area supplied (not volume). The Water Resources Act 1989 later introduced new legislation, which applied to regulated benefitted streams as defined within the Burdekin River Irrigation Area. However, the Burdekin Delta Water Boards are not a part of the gazetted Burdekin River Irrigation Area. (more recently named the Burdekin Haughton Water Supply Scheme)

Consequently, the Board does not accept this report and objects to its limitations which inhibit open and transparent evaluation of specific, accountable and efficient costs to release water from the Burdekin Falls Dam to the Delta Water Boards, without the incumbent cost of scheme infrastructure which plays no part in delivery of the Boards entitled stored water!

Yours faithfully,

WC Lewis
MANAGER
SOUTH BURDEKIN WATER BOARD