

Submission on Network Services Plan: Lower Fitzroy Water Supply Scheme

by Greg and Prue Hinchliffe – Beltana and Graham Farmer – Lake Learmouth

In relation to the Network Services Plan for the Lower Fitzroy Water Supply Scheme, we present the following issues:

1. The Eden Bann Weir is the only piece of infrastructure that is associated with the Lower Fitzroy. It was built solely to provide Stanwell Power Station's water supply. Stanwell Corporation is by far the major customer of the water scheme.
2. To the best part of our knowledge, the five Medium Priority water users of the scheme were unregulated before the Eden Bann Weir was built, having area licences and no associated charges because there was no infrastructure in place. This is the present situation upstream where licences are unregulated and there are no charges involved.
3. The area in which we operate is by no means high grade/prime agricultural land and would not support crops such as cotton, corn etc that are grown in areas such as Emerald, Moura and Theodore. We use the water for opportune development of fodder cropping for supplement, fattening and drought relief of cattle.
4. As we are a small area - only five Medium Priority Water Access Entitlements (WAEs) - and no one uses their water on a regular basis, we find we cannot offset the cost of water by trading, leasing or selling water within our scheme. To our knowledge there has been no trade of water within our scheme since it was started. We have no economic hub such as they do in other areas.
5. We have no supporting infrastructure associated to the Weir, relying on single-phase power and diesel pumps for irrigation. All associated infrastructure is paid for by individual owners including water meters installed under Sunwater's instructions.
6. As medium priority WAE holders we are at present paying \$10.88/Mgl. The five individual owners with WAEs amount to 3101 Mgl of the 28621 Mgl in the scheme (the other 25,520 Mgl is all high priority. This amounts to the Medium Priority users paying approximately 12.3% of the overall yearly operating costs averaged out over the past five years at \$274,000. This seems unfair as we only hold approximately 10.8% of the available water, of which ours is only Medium Priority. Not knowing what the price of High Priority allocation per Mgl is, we feel we are paying more than is fair for a lower grade commodity.

Further, discussions with various medium water users in this scheme and other unregulated areas, it is clear the small margins for profit are removed when water charges are introduced which is evident in the amount of water used by people in the lower Fitzroy over the last five years.

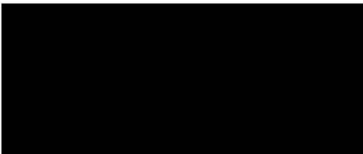
We feel that when we were area licences and unregulated, we were in a much better situation than now where all we seem to do is subsidise Stanwell Power Station's maintenance costs toward Sunwater. As the Weir was solely put there for Stanwell's use we feel they should maintain the structure, as we would be unaffected if the Weir wasn't there. It provides us with no more water than before it was built. The Lower Fitzroy is a special area being namely cattle production and not horticulture or agriculture and therefore this should be taken into consideration.

Stanwell Corporation's capacity to meet increasing costs associated with the Weir maintenance is far greater than ours yet we seem to be paying more for the same right to

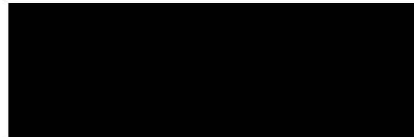
water which we were entitled to before the Weir was built. At the very least, we should only be paying for the water we use as it is used at such infrequent times and only when deemed necessary.

Various operational costs such as weed control could be contracted out to landholders to help recoup costs as it is a normal everyday activity which is undertaken by individuals and meters could be read and either phoned or emailed through to Sunwater. Sunwater could undertake a yearly audit to check on correctness of information that would save many inspections during the year.

We would like to discuss these ideas further with Sunwater to try and reduce the burden of these water charges on individual owners and await your reply.



Greg and Prue Hinchliffe



Graham Farmer