

19 JUL 2012

DATE RECEIVED

Queensland Competition Authority. file ref:444089
Level 19,
12 Creek Street,
BRISBANE. QLD 4001

For the Attention of Angus MacDonald

Dear Sir,

Subject- Irrigation Prices for Seqwater Central Brisbane WSS: 2013-17

We are stakeholders in the Central Brisbane WSS and hold a current license to draw water from the Brisbane River between Wivenhoe Dam and Mount Crosby. We would be extremely concerned should the QCA come to the conclusion that the documentation provided by Seqwater provides a justification for any charge to be made for water taken direct from the Brisbane River under the capped 7000ML agreement.

We note that the Fernvale Consultation meeting of 22nd June was attended by a very small proportion of the 130 License Holders. We consider that the views expressed about the level of charging per ML were not representative of our views or the views of the majority of license holders in the Central Brisbane WSS who attended a meeting of 10th July 2012.

We support the views expressed in the attached submission and request the QCA accept this submission on our behalf.

Yours faithfully,

Signature

Print Name of License Holder.....*WILLIAM MICHAEL MAHON*.....

Date *15-7-12*



Promoting Effective Sustainable
Catchment Management

Submission to Queensland Competition Authority

In relation to

Seqwater Rural Water
Supply Network Service Plan
For the Central Brisbane River
supply scheme

On Behalf of

The Members of Mid Brisbane River Irrigators Inc

This submission is prepared under 3 main headings

1. Substantiation for there to be no charges for the 7000ML of irrigation water to be taken from the Central Brisbane River.
2. Reasons why the Seqwater submission outlining costs is flawed.
3. Suggestions as to how improved productivity(maximum use of current licensed allocations) can be addressed under a no charge regime.

1. Justification for the 7000ml irrigation water to be taken free of charge

a) Neither Somerset nor Wivenhoe were financed and built for irrigation.

(b) In the 70 years since the completion of Somerset Dam and 30 years since completion of Wivenhoe, irrigators have never been required to pay water charges for drawing water from the river, despite a number of attempts in the past to do so.

(c) This matter was clarified once and for all in 1981 that the dams were constructed for domestic water supply and flood mitigation and not for the purpose, in part or whole, for irrigation. (reference submission 24-2-1981 to Minister of Water Resources & response to T.G. & L.A. Matthews 21-10-1981)

(c) Neither Seqwater, nor its predecessor have expended funds, either capital or operating, dedicated to the delivery of bulk untreated water for irrigation

(d) This stretch of the river has never needed either Somerset Dam or Wivenhoe Dam or any other infrastructure, to store water, and water has always been available for irrigation.

(e) Seqwater cannot identify the cost of any service that is used by irrigators in drawing water for irrigation purposes. This makes the current proposed charge, struck on a per megalitre basis, unrelated to the actual cost of a service to irrigators, and therefore at law should neither be recommended nor allowed by the Queensland Competition Authority

On the other hand the irrigators can point to several ways in which they have contributed to reducing Seqwaters costs and assisting with environmental obligations.

(f) Involvement of irrigators with SEQ Catchments in Catchment improvement.

(g) During the millennium drought, raising the level of awareness and keeping the land adjacent to the river green, grassed, and productive. This action assisted in the control of treatment costs by reducing the volumes of sediment that accessed the river.

(h) Delaying the closure of the Brisbane Valley Hwy at times of flood.
(Zanow Quarry)

(i) Members with local knowledge kept Seqwater informed about conditions on the river.

(j) MBRI and its committee contributed \$40000 in Counsel fees and 1000's of hours professional pro bono work to prepare submissions and be represented at the Queensland Flood Commission. We consider this work assisted Seqwater and was influential in the Final Report by the Flood Commission.

2. The following items directly address the relevance of the group of costs that Seqwater have submitted for QCA assessment, and which Seqwater state make up an appropriate contribution from the irrigators.

(a) It is inconceivable that the Irrigators should be charged in any way for the cost of operation of Somerset Dam. Even if one discounts the reasons given in Section 1 (above) we are unable to see why QCA should consider it can reasonable, fair, appropriate, or even sensible, to charge irrigators for holding the same water twice? All Somerset operation maintenance and staffing costs should be removed.

(b) Even if it is considered that a proportion of the operation and maintenance costs should be charged the current ratio of 2.4% is not sustainable. This ratio is based on allocation and covers all the variable costs allegedly resulting from these water volumes. However there is no proof of usage, no warranty on water quality

or volume. There is no compensation should dam water damage our equipment, or our land, through mismanagement. No guarantee that irrigators will be warned about deliberate releases within dam management control with the potential to cause damage. There remains a right to for Seqwater to recover from irrigators costs in excess of those nominated, for matters beyond the control of dam management. These costs are more than likely to be a double penalty for the irrigators who may already have incurred similar costs of their own.

(c) In the period 2004 to 2012 there is no doubt that the full allocations have not been used. There are two primary reasons which are, reduced allocation available from Seqwater/DERM and extraordinary weather. Neither are within the control of the irrigator yet the result of these circumstances is that the irrigators cost of water under the Seqwater proposal would be \$175,84. This would be on top of failed crops due to failed water supply, and a 75% reduction in income during probably 4 of those 7 years-another double penalty.

(d) We understand from Somerset Regional Council that Seqwater resists requests from Council to increase the opportunity for the community enjoyment of their extensive areas of land for recreation. The reason is given, that it will increase the cost of water treatment. Why should the irrigator pay towards the up keep of these community service provisions when they are under-used in order to save treatment costs to the benefit of Seqwater.

2(e) The Seqwater cost structure includes provisions for maintenance to redundant equipment which is contrary to our understanding of what would be considered eligible costs.

(f) Seqwater see the cost of water harvesting (pumping into off-stream storage) in systems unconnected with Central Brisbane, as a legitimate part of irrigators costs. This seems extraordinary and inappropriate.

(g) Seqwater documented the fact that the Lowood/Fernvale and the Central Brisbane Flood plain is used in a deliberate strategy, to be sacrificed to assist reducing flood levels in Brisbane. This information was not shared with Somerset Regional Council or the irrigators prior to January 2011. Neither is it

planned to be changed. This created considerable cost to Irrigators from the Wivenhoe Dam water releases in Jan 2010 & Jan 2011 due to damage/destruction of pumps, associated infrastructure & riverbanks where pumps were located resulting in disruption/cessation of production.”

After the flood, releases from Wivenhoe regularly incurred high operational cost and risk. This should be discounted against Seqwater’s cost.

3. The MBRI considers there is a proportion of the 7000ML per annum not being used productively for a variety of reasons. It will support attempts to address improved productivity, review the reasons, and suggest a strategy that could reverse this trend. It would be wrong to use an unjustifiable price per ML in an attempt to improve the productivity, so that all irrigators pay an un-affordable unit price when the proper solution should be to encourage the use of these allocations. However it should be noted that the water Licenses issued under the provisions of the Water Act 2000 were not subject to a beneficial use condition. (see letter from Stephen Robertson to Mr Don Livingstone MP on 26th August 2003.