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Dear Angus,

Thank you for your time at Gatton on the 25<sup>th</sup> of June 2012. I had the opportunity to hear the presentation at Karalee with the QWC SEQ Irrigators meeting. At that event I was impressed with the degree of detail that the QCA had gone into when researching the subject at hand. I was also impressed by the calibre of personnel involved in the process. It was good to put some faces to an acronym.

I need to point out that I am not a customer of SEQ Water in the Lockyer. I am however an observer who has taken a great deal of interest in the management of water throughout the Lockyer for a number of years.

The only way that I can submit is to work through the document as presented the other day and formally offer my comments. I am aware that our comments were noted on the day. This may or may not add to those comments.

**Ministerial Direction** – I am concerned that the terms of reference that the QCA has been given by the previous State Government is too limiting in regards to what QCA needs to examine in order to determine efficient costs.

The Ministerial direction does not allow for pricing to take into account the wider benefits to the economy of a functioning agricultural sector.

Also, in regard to asset values, there is no scope for a review of the value of an asset in the brief. There is also a need to carefully look at the level of servicing required in each scheme and also specific assets that may no longer be required. There may be an argument that SEQWater is not geared to running the rural schemes efficiently and other management options need to be investigated.

It is always difficult to argue against data that is supplied from one source. Is it possible for a benchmarking analysis comparing other rural schemes to be carried out?

**Metering system** – I guess the question when considering new meters is, what standard do we require. A \$9000.00 meter seems somewhat over the top compared to a \$1300.00 meter that may not be as accurate but only by a small amount.

**Volumetric Charge** – Do we want a volumetric charge – I feel that this is a question that only those on the scheme can answer.

**SEQwater Cost Reflective Reference Tariffs** – I feel that these tariffs are exorbitant. Not being on the scheme, but having a good hold on the cost of water, I feel that I am in a good position to comment. I run a private scheme in the Lockyer Valley that stores water in above ground ring tanks. The water is pumped into the ring tanks via flood harvesting, than pumped up the valley via a pipeline into a temporary storage dam some 5.4km. The water is than pumped onto the crops. I estimate that this process costs me \$85.00 per meg. This is not including capital as the capital has been written off. Maintenance would be no more than \$5.00 per meg. Dam monitoring and maintenance is ongoing, although my standards are less than what would be expected of SEQ Water.

Given this example, I cannot understand where a figure of \$300.00 per meg is coming from. The example given is an expensive scheme to run; pumping water three times through a large distance. To my understanding, Bill Gunn Dam is gravity filled and emptied. It is at cost to the irrigator to draw water from the system sourced from under the ground or direct from the creek.

I acknowledge that Lake Clarendon is filled by pumping, and emptied to a certain extent by pumping, however the whole of the Moreton Vale scheme is gravity fed. It has to be noted at this point that Moreton Vale has a higher reliability than the rest of the scheme. So, given this fact, if a higher volume of water is held for Moreton Vale, than there would be less water to be pumped from the storage, which would bring operational costs down.

*I therefore argue that the Cost Reflective Reference Tariffs are exorbitant and should be held at least at current prices if not below.*

**Seqwater Proposed Total Irrigation Costs** – I find these costs somewhat confusing. The first question that arises is, how can the operational costs be lower than the non-direct costs. If as I assume that the non-direct costs include head office charges such as finance, planning, risk management, governance and all that is required to run an organisation, than I believe that we as a society have got a complete balls up on our hands. How can we substantiate that the running of an organisation costs more than what the said organisation exists to do.

Unless these figures have been put in the wrong way around, stranger things have happened, than the substantiation would make very interesting reading.

Maintenance of \$446 000.00 seems a lot of money for a scheme with no formal delivery system, other than Moreton Vale and for a scheme that is a relatively modern facility.

I have already commented on the Non-direct charges. The operations charges actually seem a bit light. If this includes filling the dams on an annual basis. Obviously this has not occurred in recent years, however given a change in season, it may happen more often. As a rebuttal to the previous statement, I do need to say that given the nature of the system, meaning creek flows keeping the system charged from natural flows, than there may be little or no need for water to be released from the storages while the creeks are flowing from base flow or runoff events. This is an occurrence that the Valley has not seen for some time, but for the past 12 months the streams have run continually.

The other comment on operational charges is in regard to allowing public access onto SEQ Water land. Those residents who adjoin Seqwater land should be allowed to access the dam for their own enjoyment. Especially those who have undertaken to care for the park land that adjoins the storage but belongs to Seqwater, Caring for it at no expense to Seqwater. It is highly inappropriate for the “fun Police” to be surveying the adjoining land constantly such as happened on Sunday the 24<sup>th</sup> of June at Bill Gunn Dam. Employees going as far as sawing up unobtrusive wooden structures such as seats and bars. To avoid such situations in the future a recreational management plan needs to be drawn up between the residence and Seqwater. This would avoid any unnecessary misunderstanding and also the need to pay an employee double time on a Sunday.

It is only hoped that the cost of upkeep and maintenance of the parks is being met by Local Government and not by the Irrigator.

**Bulk Renewals** – I can understand and applaud the need for this as long as the figures and plans are realistic.

**Tariff Framework** – Tariff structures. It appears that under our new transparent system of Government that there are a number of Parts. As long as these are able to be foreseen when entering into contracts, than that will be ok. For example, you cannot ask a client to sign a contract with one part of that contract being variable. That would be a licence to print money.

**Distribution losses** – these should be nil in the Moreton Vale Scheme.

**Consultation** – There is a very evident disregard for Governments ability to undertake this action given recent examples. Re – WRMP. Yes consultation was undertaken, but no notice was given to or action taken upon suggestions from those consulted. The QCA has yet to prove its record in relation to this, however to date the signs are good.

### **In Conclusion -**

I can understand that Seqwater would like to recover costs. However, there remains a significant argument to keep the CSO on all of the schemes in the Lockyer. I believe that even a \$2.00 per year price rise is exorbitant. If we were to go to \$300.00 per meg, we might as well close the schemes down now and go back to the natural system and let the water skiers have it. There is not the money in farming for this. There is not the reliability in the scheme to justify this and frankly the price is ridiculous!

If Seqwater requires a benchmark to meet, than my recommendation would be to take their current budget for the Lockyer schemes and suggest that that is what they have to work to. Anything above that is wasteful and exorbitant.

As a colleague of mine put it -

This industry has ceased to be viable some time ago, thus I spend all of my time trying to paddle for survival.

In short, my issues lay with a dam that historically has provided less than 10% of its promised yield. It was engineered by government and sold to farmers under that pretence, with contracts to consolidate faith. This was all overturned when these Water Service Provider's came to play, and to this date govt continue to dodge (through process) the subject of those contracts. Then we get constant dialogue about the government wanting viability for water delivery. That would be ok if there was a consultation process that encompassed the issues we face, however there isn't. It is a very tight process designed to meet government outcomes, not consult the community on broader topic relating to its viability. Lake Clarendon doesn't deliver what it was supposed to, so like any bad business decision it can't be viable. And yet, under this process it can, as long as it sends us broke. Could you please try talking about this subject to them, and if they can talk about it you will have restored my faith in the process.

The dialogue that Sunwater propagated in our area during its reign, was that they were a separate entity to the government like a private company. It was after reading the Water Act that I developed my cynical point of view, as the people negotiating the process clearly didn't understand the process or their limitations, until it came to the subject of what they can't talk about (which was those contracts).

To everyone else I sincerely apologise for not getting myself up to speed, I'm afraid I don't have time to afford to this at the moment. As I suggested earlier it would seem that my services as a vegetable grower are no longer of value to the community, as they would prefer to propel aging men into monster egocentric business that are destined to implode by lack of succession. All to aid viability..... I think we've lost our way.

On this point I will close.

Yours Sincerely,

Linton Brimblecombe