

From: Clapham Farming Co Pty Ltd [mailto:claphamfarming@bigpond.com]

Sent: Friday, 23 December 2011 2:26 PM

To: Water (External)

Cc: Armitage; Brett Kelly; Central Downs Irrigators Ltd; glen ogden; Ian Hayllor; Jan Lafrenz; johannes.roellgen@bigpond.com; Lindsay Krieg; Lyn Brazil; Neal Pfeffer; Nev Walton; Phil Krampfl; Sleba

Subject: Submission to QCA upper Condamine From The Central Downs Irrigators Limited.

The Central Downs Irrigators Limited wishes to submit the following in regard to the Queensland Competition Authority 2012-17 price review for the Upper Condamine.

- C.D.I.L. is pleased to note the application of the Headworks Utilisation Factor to irrigation supplies and supports the continuing of this concept in determining the correct ratio of responsibility for costs among beneficiaries of the scheme.
- The application of the HUF indicates that irrigation users of the Upper Condamine have been over charged for headworks during the previous price path.
- Figures indicate that in all cases except the North Branch Rick A current charges significantly exceed the cost reflective price, C.D.I.L. strongly opposes any increases in prices because of previous overcharging and requests that QCA recommends that no CPI increases apply to irrigators during this price path because of the history of overcharges.
- C.D.I.L. notes the negative reserve balances of the Renewals Annuity and submits that to a large degree this circumstance is due to the failure to apply the HUF to the various beneficiaries of the scheme during the previous price path. Irrigators request that they be involved in decisions regarding renewals and refurbishments of irrigation supply infrastructure because of their effect on prices, and asks that a QCA recommendation supports this request.
- The QCA recommended prices in the water bill analysis indicate an actual decrease in prices when supply exceeds 40% and an increase when supply falls below that figure. In years of reduced supply this increase will impose additional financial burden on irrigators. The ability of irrigators businesses to pay increases during periods of reliable supply. To reflect the commercial reality of irrigators businesses C.D.I.L. requests that QCA reassess this recommendation so that prices don't increase during periods of low supply.

Graham Clapham
Chairman C.D.I.L.