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Rural irrigation price review 2020 – 2024

North Burnett Regional Council (NBRC) is a medium sized regional Council whose economy is based on agriculture and a significantly portion of this is irrigated production.

NBRC views water as a key input to, not only future economic growth, but also for the ongoing sustainability of current industry. NBRC is now an active member of all Sunwater Irrigation Advisory Committees (IACs) in the Upper Burnett irrigation scheme. The importance of water is further demonstrated by Mayor, Cr. Rachel Chambers fulfilling the position of chair of the Wide Bay Burnett Regional Organisation of Councils (WBBROC) water portfolio since 2016.

After both NBRC elected members and senior officers attended the QCA community consultations and heard the initial concerns of stakeholders, an internal review of QCA guidance notes and referral documents, Sunwater submission as well the Local Government Association of Queensland (LGAQ) WBBROC proposed submissions have been completed.

NBRC is pleased to provide the following comments in relation to the QCA Guidance Notes. In addition NBRC is supportive of the recommendations contained within the WBBROC submission, the LGAQ submission and has also provided some commentary on this as it pertains to the North Burnett.

Council looks forward to continued involvement in the review process to assist in all stakeholders understanding of the impacts of any recommended changes before implementation.

NBRC Response to the Referral & Direction Notice re Irrigation Water Pricing Review

Comments on Guidance Notes, Referral & Direction Notice

1. Clarification -
 - **B Section 24, 1.1a** identifies the price path period as 1/7/2020 – 31/6/2024
 - **C Matters for consideration, 1.2a** identifies operational costs to be recovered over price path period. Concern here that in many cases this will be unattainable and jeopardise businesses.
 - **Schedule 2 D ii** indicates a capped Part A increase of \$2.38/ML/yr + CPI

Summary – if pricing is determined to fall in category Schedule 2 D ii then recovery will be longer than the price path period. The intent is known but there seems to be some ambiguity within these three sections.

2. Will the QCA be recommending an investigation of senior management expenditure of both SEQ Water & Sunwater with a possibility of combing the two during the next price period?
3. **Section C Matters for Consideration** should not include full recovery of the 2015 IGEM recommendations. This should be borne by all beneficiaries.
4. **Section C Matters for Consideration** should not include any allowance for the recovery of QCA costs as this is a government requested review on a government owned monopoly.
5. **Section C Matters for consideration 1.4 (a)** – Support the allowance to modify volumetric charging to less than cost reflective pricing. Possibility of capping this?
6. The inclusion of dam safety upgrade costs doesn't define the price path period for ROI
7. **Appendix B Section 26 1 i** – support social welfare & equity considerations including CSOs – how is this to be determined?
8. **Appendix B Section 26 1 m** – support consideration of economic & regional development issues including employment and investment growth – will this include possible outcomes of recent MIP's and NWDIF feasibility recommendations – how is this to be determined?



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Comments on WBBROC Submission

NBRC generally agrees with the submission. Many good points are made which haven't been repeated above and they accurately reflect many comments in the workshops.

The following comments are based on constructive intent.

1. There is a lot of referencing to bench marking (R2.2, R7.2, R7.6, R9.1,). Would it not be prudent to use the next price path period as the time to gather data for this, which can then be used to influence the following review? (2024 – 2029).
2. Review of asset management practices and plan (R6.1, R6.4) should also be a recommendation for completion during the 2020 – 2024 price period.
3. There is merit in basing pricing of Part A increases on % of pricing (R2.4), or multiple customer choice tariffs (R12.1), or mid-cycle reviews (R12.2) etc, as described, however NBRC believe there is need to balance these more complex variables against simplicity and transparency as per **2.4.5 of the Guidance Notes**. NBRC's preferred option would be to stage these improvements to both gauge customer acceptance and success of the change.
4. The addition of an appendix to clarify some of the percentages quoted would be an advantage eg.
 - a. Pg 5 paragraph 3 – scheme reliabilities variation 100% to 36%
 - b. Pg 8 Annuity balances 17.3% to 38.5%
 - c. Pg 8 Electricity cost increases 60 to 140% (where from?)
5. **Section 5 Dam Safety Upgrades.** – Please note: Not all dams are flood mitigation dams and as such NBRC feel they need to be thought of separate to those that are.



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Comments on LGAQ Submission

NBRC generally agrees with the submission. Many good points are made which haven't been repeated above and they accurately reflect many comments in the workshops.

The following comments are based on constructive intent.

1. The inclusion of dam safety upgrade costs doesn't define the price path period for a ROI or sufficient reference to generational equity which should be factored in for the life of the upgrades.
2. In relation to the cost of any safety upgrades. It is important that any costs are shared across all beneficiaries of these upgrades. NBRC support LGAQ comment on this item.

Yours Sincerely

Cr. Rachel Chambers
Mayor - North Burnett Regional Council

Gary Rinehart
CEO - North Burnett Regional Council