

Mr. Angus MacDonald

Queensland Competition Authority

GPO Box 2257

Brisbane QLD 4001

15<sup>th</sup> July 2012

Dear Sir,

**Re Submission Mary Valley SEQ 2013-2017 Irrigation Price Review**

SEQ Water Customer Council should be reinstated so that these issues can be discussed in full with irrigators.

**Parks and gardens under SEQ Water's control.** The costs and upkeep should not become a financial burden on irrigators as these facilities are used by the general public.

**Pricing Structure Assumptions**

My understanding based on facts and figures presented by you is an indicative price of \$29 a mega litre 2011-2012. Based on 205 irrigators using only 50% of their allocation, with a possible 17000mega litres in the scheme SEQ's water income would be approximately \$50 million plus.

Forward to a reference tariff at 2013-2014 at \$41.76 a mega litre and paying for 100% allocation, SEQ water's income could be in excess of \$145 million which is approximately 3 times SEQ's projected income.

Based on the irrigators percentage of SEQ Water's income, if the irrigators have to pay their total allocation the starting price for irrigators for the 2013-2014 year should only be \$15 a mega litre .

The dairy and sugar cane industries are the largest users of this water. A large price increase will make some of these businesses unviable.

Under this QCA's intended pricing structure of paying a set price for all megalitres, properties with unused allocations, become a liability and not an asset in terms of the value of that property.

**Environmental projects:** Many property owners are striving to fence the river to so that cattle no longer use the river for drinking. This restores the vegetation and degradation caused by stock. This

being the case the stock and domestic licences need increasing.eg converts some mega litre allocations to stock and domestic at no charge.

I would be interested to know your thoughts on these issues and figures and please keep me informed of any future meetings.

Yours sincerely

David Burnett

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