

Lockyer Water Users Forum Inc. P.O. Box 77 Gatton Qld 4345

Professor Flavio Menezes Queensland Competition Authority GPO Box 2257 Brisbane Qld 4001

27th February 2024

Attention: Darren Page - Project Manager

RE: Central Lockyer and Lower Lockyer - QCA Submission 2025-2029 Price Path

Dear Darren,

Thank-you for making your time available to visit the Lockyer Valley on Tuesday 23rd January and conduct a workshop. This submission is on behalf of the Lockyer Valley Irrigators in the following water supply schemes constructed and owned by the State of Queensland and operated and managed by SEQWater being Atkinson Dam, Lake Clarendon, Mortonvale Pipeline, and Lake Dwyer.

Irrigators only have a single issue to raise in the 2025-2029 price path review with the QCA, being the injustice of having pay escalating Part A fixed charges and receiving no water to generate an income.

This is the third path review process conducted by the QCA in which Lockyer irrigators have raised the issue of chronic long term underperforming Qld Government Dam assets and having to pay for water that is never delivered. In the previous two price paths, our submissions, issues, and concerns were completely dismissed by the QCA Board as being "out of scope" of the Referral Notice.

Based on the discussions with you at the workshop, we are hopeful our concerns will be formally acknowledged resulting in future discussions with the QCA, the Department of Regional Development, Manufacturing and Water, and Lockyer Valley Irrigations. Irrigators have already met with DRDMW in the company of Qld Fruit and Vegetable Growers and started the discussion. We look forward to the inclusion of the QCA in these discussions at the appropriate time in the 2025-2029 price path review.

The objective and recommendation is to, "develop a new pricing policy for underperforming water assets in Qld that take into consideration the long term underperformance", with the following considerations:

- Suspend Part A charges when there is no water delivery or a region is under drought declaration.
- Irrigators cannot pay for Part A charges when they cannot generate and income.
- Contrary to modern economic theory, irrigators cannot pass on the ever increasing water charges and costs to the market.
- Unless policy is reviewed and updated to reflected reality, the Qld Government will end up with stranded assets and be worse off.

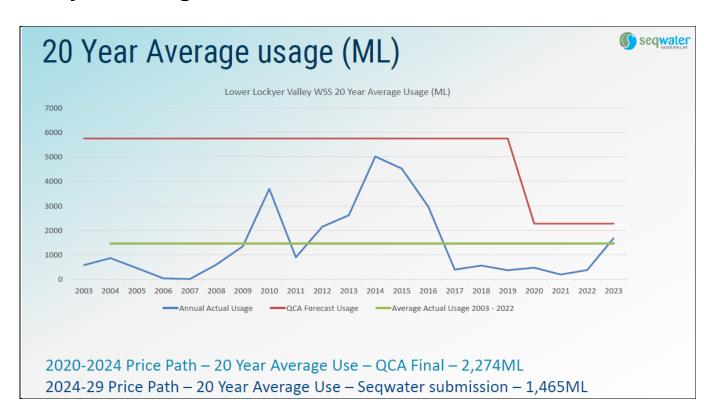
In previous submissions, irrigators tabled the following perform data summary since construction:

Scheme	Commissioned	Years of Data	Capacity	Performance Average
Atkinson Dam	1972	45 years	31,300 ML	19%
Lake Clarendon (including Mortonvale Pipeline)	1995	22 years	21,000 ML	11%
Lake Dwyer	1989	28 years	7,520 ML	30%

The SEQWater submission to the QCA 2025-2029 Price Path tables the performance of Lockyer Valley water assets using the **QCA's 20 years average metric** as follows:

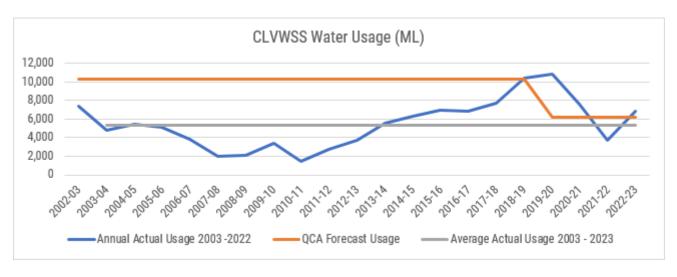
Atkinson Dam - Lower Lockyer

20 year Average Performance % = 1,465ML / 30,401ML = 4.81%



Lake Clarendon + Lake Dwyer - Central Lockyer

20 year Average Performance % = 5,929ML / 31,223ML = 18.9%



Comment: If the performance of the Central Lockyer schemes were separated into Lake Clarendon and Lake Dwyer, rather than combined, the performance of Lake Clarendon would drop significantly due to the higher performance of Lake Dwyer.

Paul Emmerson Chairman Lockyer Water Users Forum

Gordon Van der Est CEO/Secretary Lockyer Water Users Forum Greg Banff Treasurer

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