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QLD COMPETITION AUTHORITY

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20 November 2018

Chair
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Sir,

LOCKYER VALLEY IRRIGATORS SUBMISSION UNDER SECTION 23 OF THE QUEENSLAND COMPETITION AUTHORITY ACT 1997

I refer to the request for submissions into the Queensland Competition Authority's investigation into the pricing practices of Sun Water and SEQ Water.

This submission on behalf of Lockyer Valley Regional Council fully supports that lodged by the Lockyer Valley Irrigators. For clarity, this submission relates to the following Water Supply Schemes:

- Atkinson Dam
- Lake Clarendon
- Mortonvale Pipeline
- Bill Gunn Dam

As demonstrated in the Irrigators submission, the performance of the above Water Supply Schemes has been particularly poor over many years, resulting in a lack of water being available for use by Irrigators. As a result, it is not equitable to apply Part A charges because the poor performance of the Water Supply Schemes has made it difficult for Irrigators to generate income from those Schemes. Charges for water from these Schemes should remain volumetrically based in order to create a more equitable distribution of costs based on user pays. Volumetric charging will reflect water availability and the Irrigators actual ability to generate agricultural production and cash flow.

In addition, Council supports the Lockyer Valley Irrigators other recommendations included in their submission, specifically that:

1. New pricing principles should be defined for Water Supply Schemes where supply performance is well below acceptable levels.



2. Reduce or prevent cross subsidisation by introducing Nodal pricing based on the different costs incurred for distribution of water from the different Schemes.

Thank you for considering this submission and should you have any queries please do not hesitate to contact me.

Yours faithfully



Cr Tanya Milligan
MAYOR

