



8 March 2019

Chair
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Sir

SUBMISSION TO THE QCA IN CONNECTION WITH THE IRRIGATION WATER PRICING PATH 2020-2024- CBRWSS

I refer to the joint submission by the Mid Brisbane Irrigators Inc (MBRI) and SEQ Water and congratulate them on the professional way in which they have approached this matter and the outcomes achieved. Prior to the 2017 election, I was pleased to support a proposal for funding to assist in undertaking an independent experts study to determine the benefit or service that MBRI derive from the existence and operation of the storages of Wivenhoe and Somerset Dams.

The experts report identifies no benefit or services is provided to MBRI from upstream works.

The report's key findings, in summary, are:

On a long term basis the irrigators are predicted to receive no significant change to the hydrologic benefit from Wivenhoe and Somerset Dams (with the associated operations and entitlements) when assessing long-term averages;

Over the critical period, being the 15-year period of lowest diversion, the irrigators modelled hydrologic benefit from the Wivenhoe and Somerset Dams (and the associated operation and entitlements) was less than that under the Without Wivenhoe and Somerset Dams case.

The effect of the dams – coupled with the operational and access rules that are applied to irrigators within this supplemented system – effectively quarantine the flows in the river primarily for urban water supply in critically dry periods.

The study concludes that:

using the existing department's IQQM model (including its key assumptions, limitations and extended to include the recent driest period of record), Wivenhoe and Somerset Dams (and the associated operational and entitlements) provide Central Brisbane Irrigators with no significant change to modelled hydrologic benefit, when compared to the predicted access under a

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hypothetical scenario where irrigators were able to take water from natural river flows and where there were no dams and system regulation for urban purposes. The effect of the dams – coupled with the operational and access rules that are applied to irrigators within this supplemented system – effectively quarantine the flows in the river primarily for urban water supply in critically dry periods. This results in less water being available to the irrigators in a very dry period than is predicted to have been available under the natural flow regime in the river in the hypothetical no-dam no-urban water supply scenario.

I am pleased to support the joint submission conclusion that sets out:

No share of headworks related costs or shared scheme operations costs should be sought to be recovered from irrigation customers.

Subject to the above proposal being accepted by QCA and then the Responsible Ministers, costs incurred directly in servicing irrigation customers such as meter reading, and water account management will be recovered as other service charges within the water supply contracts between Seqwater and customers.

I am encouraged that Seqwater have undertaken to continue to work with the MBRI and undertake further analysis to quantify the proposed direct costs for these services to develop other service charges.

Further, I sincerely ask QCA to minimize the costs of undertaking this \$2.5 million price review that would be attributed to MBRI given the cooperation between the parties and the costs to MBRI in undertaking this work.

Regards,

Jim McDonald MP
MEMBER FOR LOCKYER