Supplementary Submission to

Queensland Competition Authority

In relation to

The Ministers' Referral Notice Relating to recommending irrigation prices to apply to irrigators in Central Brisbane River water supply scheme

JM Craigie,
August 2012

Central Brisbane River Water Supply Scheme

Introduction

The purpose of this submission is to present the case that the water charge to be recommended by the Queensland Competition Authority for insertion into the standard supply contract for mid-Brisbane River irrigators should be zero and that the standard supply contract terms are not suitable and should be modified to take into account the unique circumstances pertaining to the mid-Brisbane River irrigators.

History of Water Pricing

Historically, the Queensland Government has consistently refused to grant requests to charge Central Brisbane River irrigators for water abstraction. A key factor in this policy determination was the absence of a level of service to irrigators that would warrant the imposition of charges. The history was set out in a submission by Mr Mathews dated 27 April 1981. A brief summary of some of the points forms Attachment A.

Legislative History

The ***Water Act 2000*** received Royal Assent on 22 June 2000 and, with the exception of Schedule 2, the Act commenced on Royal Assent. The Act replaced a number of Acts including the Water Resources Act 1989. The Act sought to streamline legislation for the water industry. In addition, the Act provided for transitional arrangements in relation to the proposed corporatisation of State Water Projects. State Water Projects is a commercialised business unit within the Department of Natural resources and was nominated as a candidate government owned corporation under the Government Owned Corporations Amendment Regulation (No.1) 2000 on 26 May 2000. Candidates included SEQ Water.

The Explanatory Memorandum to the Water Bill notes that Chapter 2 deals with resource allocation issues:

> *It provides for a statutory based water resource planning process to assess, at a strategic level, the water required to meet environmental needs and water available for consumptive use. It then provides for the development of operational plans (known as resource operations plans) to implement the objectives established under each water resource plan. As an outcome of these operational plans, water licences that exist under the Act may be converted to "water allocations" that are separate from land and tradeable within rules set out in the plan. The Bill also provides for the creation of a register to record water allocations, and any dealings for, and interests in water allocations.*

The Explanatory Memorandum outlines the extent to which the Bill is consistent with Fundamental Legislative Principles. Whilst specific issues are raised relating to both water resource plans and resource operations plans, the issue of now seeking to charge irrigators who were not previously charged for drawing water was not raised in the memorandum as a matter that may be inconsistent with Fundamental Legislative Principles. If there were an intention to remove rights and liberties then these would have been raised in the memorandum for the following reasons:

> Subsection (1) of section 4 of the ***Legislative Standards Act 1992*** provides:
>
> "*For the purposes of this Act, fundamental legislative principles are the principles relating to legislation that underlie a parliamentary democracy based on the rule of law*."
>
> Subsection (2) provides:
>
> *"The principles include requiring that legislation has sufficient regard to –*
> *(a) rights and liberties of individuals*".
>
> Subsection (3) provides "*whether legislation has sufficient regard to rights and liberties of individuals depends on whether, for example, the legislation - "*, inter alia, *"(g) does not adversely affect rights and liberties, or impose obligations, retrospectively*".

The Explanatory Memorandum does not outline any intention to adversely affect the rights and liberties of irrigators in the mid Brisbane River. The Explanatory Memorandum refers to consultation processes and this occurred in respect to mid Brisbane River irrigators. Refer to the consultation document "Converting the South East Queensland Water Board into a Joint State/Local Government Owned Company" that was circulated in July 1999 to key stakeholder groups, including irrigators. The document states:

> *There are currently a number of irrigators in the Brisbane River system who receive approximately 7,000ML of water on the basis that these arrangements existed prior to the construction of Wivenhoe Dam. That is, it formed part of their riparian rights. It is envisaged riparian rights will continue under the new SEQWCo structure, as with any other water industry company. It is anticipated the allocation of 7,000ML of water will continue as a condition of the license to be granted to SEQWCo.*[1]

[1] See Converting the South East Queensland Water Board into a Joint State/Local Government Owned Company, at page 11.

The Regulations

Under the *Water Act 2000* a number of Regulations have been promulgated. The main Regulation is the *Water Regulation 2002.* Under section 2 of that Regulation, various sections commenced on 30 June 2002 and the remaining provisions of the regulation commence on 19 April 2002.

The *Water (Transitional) Amendment Regulation (No.1) 2002* ("**WTA**") commenced on 1 July 2002 and amended the Water (Transitional) Regulation 2002 ("**transitional regulation**").

Section 3 of Part 2 of the WTA provides that the South East Queensland Water Corporation Limited (i.e. SEQWater) holds a water allocation entitling it to take 345,000ML of water per year from the impoundments of the Wivenhoe, Somerset and North Pine dams and the section of the Brisbane River between the Wivenhoe dam and Mt Crosby weir.

Section 4 places a condition on SEQWater's allocation that it is to make water free of charge to classes of water users set out in subsections 3 to 5, including mid-Brisbane River irrigators.

Subsection (1) of section 4 of the WTA states that *"The conditions stated in this section are imposed on the company allocation".*

Subsection (5) of section 4 of the WTA states:

" The company must make available from the company allocation, free of charge—

(a) a sufficient volume of water, but not more than 7 000 ML a year, to meet the rights to water of licensees authorised under licences issued under part 4 of the repealed Act to take water for irrigation purposes from the Brisbane River between the Wivenhoe Dam and Mt Crosby Weir; and

(b) a sufficient volume of water to meet the riparian rights of persons under section 36 of the repealed Act relating to any of the sources to which the company allocation relates; and

(c) a sufficient volume of water to meet the rights to water of other persons under authorisations under the repealed Act if the authorisations—

(i) were in force on the commencement of section 15B of the repealed Water Resources Regulation 1999; and

(ii) relate to any of the sources to which the company allocation relates"

Current Legal Position

Section 1132(4) of the *Water Act 2000* provided that the section, and any transitional regulations, would automatically expire 1 year after the commencement of the section. Section 1132 commenced on 13 November 2001 and, in accordance with subsection (4), automatically expired 1 year later (i.e., on 13 November 2002). Accordingly WTA has now expired.

In order to avoid the need to include transitional provisions whenever Acts and Regulations or sections of Acts and Regulations are repealed, expire or omitted, the ***Acts Interpretation Act 1954*** and the ***Statutory Instruments Act 1992***, include provisions having the effect of preserving the position as it existed under the repealed Act or Regulation.

Under the ***Statutory Instruments Act 1992*** (**"SIA**"), the transitional regulation as amended by the WTA is:

(a) a statutory instrument within the meaning of section 3 of SIA;
(b) a statutory rule within the meaning of section 7 of SIA;
(c) subordinate legislation within the meaning of section 9 of SIA.

Section 14 of the SIA provides, inter alia:

> *(1) Subject to this division, a provision of the Acts Interpretation Act 1954 mentioned in schedule 1 applies to a statutory instrument, and to matters authorised or required to be done by a statutory instrument, in the same way as it applies to an Act, and matters authorised or required to be done by an Act, as if—*
> *(a) a reference to an Act included a reference to a statutory instrument; and*
> *(b) a reference to enactment or passage included a reference to making.*
> *(2) A copy of the Acts Interpretation Act 1954 showing the text of the Act as it applies to a statutory instrument because of this Act may be authorised by the parliamentary counsel.*

Schedule 1 mentions sections 18 to 25 of the ***Acts Interpretation Act 1954***.

Section 2 of the ***Acts Interpretation Act 1954*** provides that "*this Act applies to all Acts"*. Section 5 provides that "*this Act binds the Crown*".

Section 20 is headed "***Saving of operation of repealed Act, etc***." Subsection (1) provides that "***repeal*** *includes expiry"*. Subsection (2) provides "*the repeal or amendment of an Act does not*", inter alia, *"(c) affect a right, privilege or liability acquired, accrued or incurred under the Act*". Subsection (3) provides, inter alia, that "*the right, privilege or liability may be enforced….as if the repeal or amendment had not happened*".

Section 20A is headed up "***Repeal does not end saving, transitional or validating effect, etc."*** Subsection (1) provides "***repeal*** *includes expiry*". Subsection 2 provides "*If an Act*", inter alia, "(*a) declares a thing for a saving or transitional purpose*" then "*the declaratory or validating effect of the Act does not end merely because of the repeal of the Act*".

An example given for paragraph (a) is –

> *"a provision stating that an existing licence under a repealed law is taken to be a licence of a particular kind under another law and authorising the imposition of conditions under the other law".*

Whilst the **transitional regulation** including the WTA is now repealed within the meaning of the ***Acts Interpretation Act 1954,*** the condition imposed on SEQWater to make water free of charge continues on foot.

Evidence the condition continues

On 16 December 2005, Mr Scott Smith, Regional Manager, Water Services, South East Queensland, wrote to mid Brisbane River Irrigators and advised the following:

- The recent amendments to the *Water Act 2000* provide that mid-Brisbane Irrigators will become a customer of SEQWater.
- The Chief Executive will approve the supply contract and the approval notified in the Queensland Government Gazette.
- The supply contract will essentially deal with the requirements for the installation, reading and maintenance of meters and payment of associated costs.
- The amendments do not affect SEQ Water's current obligation to supply, free of charge, up to 7 000 ML out of the company's allocation, the volume of water authorized to be taken under your water license.
- The Department and SEQWater propose to meet with irrigators to provide further information and clarification on the amendments and the form of the supply contract. A meeting date is proposed early in 2006.

No such meeting ever took place with irrigators. A copy of this letter forms Attachment B.

Water Allocations

Subsection (1) of section 121 of the *Water Act 2000* provides that *on the day a resource operations plan or any amendment of a resource operations plan commences—*

(a) all water licences, interim water allocations or other authorities to take water, to be converted under the plan or the amendment, expire and the chief executive must grant to the holders of the expired water licences, interim water allocations or other authorities, the water entitlements stated in the plan or amendment; and

(b) *the registrar must record on the water allocations register details of each water allocation granted*.

The Resource Operations Plan for Moreton ("**ROP**") commenced on the first business day after the plan was notified in the Queensland Government Gazette, that is, Monday 7 December 2009. The ROP was gazetted on 4 December 2009.

Chapter 3, Part 4 of the ROP specifies the process for the conversion of existing water authorizations managed under a resource operations license for the Central Brisbane River water supply scheme to water allocations. Section 43 of

the ROP provides that *the existing water authorisations must be converted to supplemented water allocations as follows—*

(a) the person granted the water allocation must be the person who holds the existing water authorisation from which the water allocation is converted;

(b) the location for the water allocation must be the zone that includes the place on a watercourse, lake or spring from which the water could be taken under the existing water authorisation;

(c) the purpose for the water allocation must be in accordance with section 45 of the Water Resource (Moreton) Plan 2007;

(d) the nominal volume for the water allocation must be in accordance with section 46 of the Water Resource (Moreton) Plan 2007; and

(e) *the priority group for the water allocation must be in accordance with section 47 of the Water Resource (Moreton) Plan 2007*.

Attachment 5 in the ROP provides details on converting authorizations to water allocations in respect to all persons and companies who held water authorizations in the Central Brisbane River water supply scheme. In all instances it was the same person or company that previously held a water authorization.

Subsection (2) of section 121 provides that *if an allocation is managed under a resource operations licence, the allocation holder and the resource operations licence holder must have a supply contract for the allocation.*

Subsection (9) provides that *the allocation has effect the day the granting of the allocation is recorded.*

Standard Supply Contract

Subsection (2) of section 121 provides that *if an allocation is managed under a resource operations licence, the allocation holder and the resource operations licence holder must have a supply contract for the allocation.*

On 7 December 2009, SEQWater was granted a Resource Operations Licence ("**ROL**") in respect of the Central Brisbane River water supply scheme.

Subsection (4) of section 122A provides that *on the day an allocation is granted, the standard supply contract for the area applies to the allocation.* This standard supply contract applies automatically unless:

- the allocation holder and the licence holder have a separate supply contract in respect of the allocation;
- the allocation holder and the licence holder are the same person; or
- the allocation holder is a subsidiary of the licence holder.

On 27 November 2009, Debbra-Lee Best, as a delegate of the Chief Executive approved a standard supply contract for the storage and delivery by the resource operations licence holder of water under water allocations in the Central

Brisbane River Water Supply Scheme. The standard supply contract provides it is to commence on the Commencement Date. The Commencement Date *means the date on which the Allocation is recorded on the Water Allocations Register.*

This standard supply contract is a generic contract that would initially apply in a water scheme involving a resource operations license holder. It is not specifically tailored to meet the needs of a specific water supply scheme. Subsection (5) of section 122A provides that *the parties to the supply contract must review the contract within one year after the day the contract takes effect*. No record has been found that this review actually occurred.

Standard Supply Contract Requires Significant Modification

The need for a supply contract arises under the Water Act 2000 because SEQWater was granted a ROL. The ROL applies to the water infrastructure set out in Attachment 5 of the Moreton ROP, being the Wivenhoe Dam and Mount Crosby Weir. The licence authorises Seqwater to interfere with the flow of water in the Central Brisbane River water supply scheme to the extent necessary to operate that infrastructure.

Under the ROP, the interference with the flow of water in the Central Brisbane River water supply scheme is not necessary for the provision of irrigation water services to mid-Brisbane River irrigators. In fact the ROP makes it abundantly clear that supplying water to meet in part or whole of medium priority water allocations is not a distribution use of Wivenhoe Dam water.

The Plan Area is divided up into a number of zones:

1. The Brisbane Zone (Wivenhoe Dam);
2. The Mid-Brisbane Zone (from Wivenhoe Dam to Mt. Crosby Weir)
3. The North Pine Zone (North Pine Dam);
4. Cressbrook Zone (Perservance and Cressbrook Dams).

The Brisbane Zone comprises the storage of Wivenhoe Dam[2] (and by implication, Somerset Dam) and has a current and maximum total nominal volume of 279,000ML of high priority water allocations.[3] The Mid-Brisbane River Zone comprises releases from Wivenhoe Dam and flows from tributaries from below Wivenhoe Dam to Mt. Crosby Weir[4] and comprises the 279,000ML above plus 7,041ML of medium priority water allocations, totaling 286,041ML. The medium water allocations include allocations to mid-Brisbane River irrigators. Under the ROP irrigators holding medium priority water allocations cannot change the location for the taking of water to the Brisbane Zone. (which includes access to

[2] See Attachment 2(b) Brisbane Zone, Moreton Resource Operations Plan, December 2009, at page 47.
[3] See Tables 8 and 9, Moreton Resource Operations Plan, December 2009, at page 98.
[4] See Attachment 2(c) Mid-Brisbane Zone, Moreton Resource Operations Plan, December 2009, at page 48.

Wivenhoe Dam allocations). This intention is clearly set out in Table 8. Not only did the drafter leave the row blank but deliberately blacken out the row as shown below.

The permitted distributions out of Wivenhoe Dam are exclusively reserved for high priority water users - the maximum water use volume out of the Brisbane Zone in Table 9 equals the aggregate of water allocations for high priority users (279,000ML). This is set out below:

Table 8 Permitted distributions

Zone	High priority group water allocations		Medium priority group water allocations	
	Current total nominal volume (ML)	Maximum total nominal volume (ML)	Current total nominal volume (ML)	Maximum total nominal volume (ML)
Brisbane Zone	279 000	279 000		
Mid-Brisbane Zone			7041	7041

Table 9 Maximum allowable water use volumes

Zone	Maximum allowable water use volume (ML)
Brisbane	279 000
Mid-Brisbane Zone	286 041

The permitted distributions for high priority water allocations may include both supplemented and unsupplemented sources. Supplemented sources are releases from the Brisbane zone (Wivenhoe Dam up to full supply level).

Unsupplemented sources would include releases into the mid-Brisbane Zone made above the full supply level of Wivenhoe Dam within the Brisbane Zone; base flows from catchments below the dam; and tributaries entering the mid-Brisbane zone from the Lockyer catchment (Lockyer, Laidley, Tenthill, Ma Ma and Buaraba creeks) and Mid-Brisbane catchment (Banks Creek, Black Snake Creek, Branch Creek, Cabbage Tree Creek, England Creek and Sandy Creek). The treatment of environmental flows is not covered by this submission.

These tables reveal that medium priority water is essentially drawn from unsupplemented sources and the storages in the permitted distributions from Brisbane Zone are ultimately reserved for high priority water users. If these unsupplemented sources dry up and the high priority allocations are completely utilized due to population growth, then Mid-Brisbane River irrigators would not be allowed at that time to draw water from the river. This is because the

maximum allowable use volume out of the Brisbane Zone is equal to the total of all high priority water allocations.

Clause 3 of the Standard Supply Contract requires (in summary) for SEQWater as the ROL Holder to release such water from the water infrastructure described in its licence as it reasonably estimates will satisfy the likely demand of the Customer from time to time. The release of water from the ROL Holder's water infrastructure is described in the contract as the "Release Service".

Under clause 9.1 of the Standard Supply Contract, the Customer must pay the SEQWater as the ROL Holder "*Water Charges for the Release Services*". As noted above that under the ROP medium priority water allocations are essentially not provided with a Release Service. No data since the establishment of the ROP has been made available to show any Release Service provided under the ROP by SEQWater to mid-Brisbane irrigators. This view is consistent with the history set out in Attachment 1 and purposes for which both Somerset and Wivenhoe Dams were constructed, namely, the provision of high priority water for domestic use by Brisbane and Ipswich Cities and surrounding towns. Accordingly, the standard supply contract requires modification.

If there is no Release Service provided then there are no water charges to be paid under clause 9.1. Further evidence of the poor fit of the standard supply agreement is outlined in SEQWater's submission covering the payment of a Termination Fee:

> *As termination fees are only relevant in distribution systems, they only need to be considered for the Morton Vale Pipeline.*[5]

Yet clause 21.3 of the standard supply contract applies to Central Brisbane River water supply scheme. It states:

> *The Customer acknowledges and agrees that the Termination Amount is intended to represent a reasonable assessment of the loss of future profit, increased average operating costs, proportionate share of ongoing fixed costs and decommissioning costs likely to be incurred by ROL Holder for the ROL Holder Works having regard to the quantities of water supplied and the persons supplied from the ROL Holder Works. ROL Holder reserves the right to undertake a formal assessment of the Termination Amount, at the cost of the Customer.*

Conclusion

There is no basis for applying a water charge on mid-Brisbane River irrigators under a standard supply contract for the following reasons:

[5] See section 5.4 Termination Fees, 2013-14 to 2016-17 Irrigation Price Review, SEQWater, at page 56.

1. Historically, the Queensland Government has consistently refused to grant requests to charge Mid-Brisbane River irrigators for water abstraction. A key factor in this policy determination was the absence of a level of service to irrigators that would warrant the imposition of charges.

2. The Explanatory Memorandum to the Water Bill 2000 and, for subsequent amendments to the Act, never identified as a breach of fundamental principles any intention to adversely affect their rights and liberties to draw water free of charge. In fact the opposite is true:
    a. The 1999 consultation document, "Converting the South East Queensland Water Board into a Joint State/Local Government Owned Company" stated that the riparian rights would continue under the new structure and the allocation of 7,000ML of water will continue as a condition of the license to be granted to SEQWater.
    b. The *Water (Transitional) Amendment Regulation (No.1) 2002* imposed a condition on SEQWater to provide free of charge a sufficient volume but not more than 7,000ML a year to meet the rights to water of an identifiable persons taking water for irrigation purposes between Wivenhoe Dam and Mt Crosby Weir. Although that regulation has now expired, the combined effect of section 14 of the *Statutory Instruments Act 1992* and sections 20 and 20A of the *Acts Interpretation Act 1954* means that the expiry does not affect a right, privilege acquired by that regulation and that right, privilege, etc. may be enforced as if the expiry had not happened. Accordingly the obligation remains on SEQWater to provide free water to this group of identifiable persons.
    c. The Department itself, in a letter dated 16 December 2005 outlined to irrigators legislative changes including that irrigators would become customers of SEQWater under supply contracts and that the amendments did not affect SEQWater's current obligation to supply, free of charge, up to 7,000ML out of the company's allocation.

3. The standard supply contract is a generic contract that has never been modified to meet the unique circumstances of the mid-Brisbane River irrigators. As envisaged in the letter of 16 December 2005, the supply contract should have essentially dealt with the requirements for the installation, reading and maintenance of meters and payment of associated costs and although consultation was envisaged to develop the contract, it never happened.

4. There is no Release Service provided by SEQWater under the standard supply agreement applying to mid-Brisbane River irrigators as the ROP does not ultimately permit SEQWater to use its infrastructure to interfere with the flow of water in the Central Brisbane River water supply scheme to supply medium priority water allocations. The ROP makes it abundantly clear that supplying water to meet in part or whole of medium priority water allocations is not ultimately a permitted use of

Wivenhoe Dam water. There is no Termination Amount needed as no distribution scheme or water infrastructure is used to interfere with the flow of water for mid-Brisbane irrigators.

Recommendations

1. **That the Queensland Competition Authority recommends that no water charge be included in the standard supply contract for the Central Brisbane River water supply scheme.**

2. **That Queensland Competition Authority recommends revisions to the standard supply contract for the consideration of SEQWater and representatives of the mid-Brisbane River irrigators.**

ATTACHMENT A

Set out below are some of the points made in a submission by Mr Mathews dated 27 April 1981. The Queensland Competition Authority has been provided with a copy of that submission.

- Somerset Dam was constructed under the provisions of Section 6C of the Bureau of Industry Act. The purposes for which the dam was constructed are stated in that section – "For the purposes of ensuring an adequate storage for the supply of water to the City of Brisbane and the City of Ipswich, and for the further purpose of preventing as far as may be destruction by flood waters in or about the said cities." The provision of water for irrigation was not a purpose for which the dam was built.

- The Act for the construction of Wivenhoe Dam does refer to water storage amongst other things but does not refer to storage for irrigation and neither the Premier's speech introducing it in Parliament nor any other speeches made in relation to the Bill make any reference to the need for water for irrigation.

- The financial responsibility for the construction of Somerset Dam was divided between the Government, the Brisbane City Council and the Ipswich City Council with the Brisbane City Council being responsible for the major part.

- In 1959 the responsibility for its control and maintenance passed to the Brisbane City Council with the Council absorbing most of the costs and the Ipswich City Council picking up the balance. Immediately after control was vested, the Brisbane City Council applied to the Government for the right to meter all irrigators between the dam and Mt Crosby Weir. The application was refused. At no time between 1943 when the dam was operational and 1959 were irrigators called upon to contribute to the operational costs of the dam. There were further requests but on each occasion they were refused. There had always been ample water for irrigation in the lower reaches of the river and that Somerset Dam had not been intended to improve and in fact had not improved the position of irrigators. This was so even in droughts prior to Somerset coming on stream as irrigators could access large lagoons in the river after flow to Mt Crosby Weir had stopped.

- Without any consultation with irrigators the Minister for Water resources proposed in 1980 that in future all irrigators on the Brisbane River below Wivenhoe should be metered and charged $4 per megalitre for water. This involved asking the Government to rescind a decision made about 1973 that no such charges should be levied by the Brisbane City Council on irrigators.

- In February 1981 the Water Resources Commission wrote to the irrigators concerned inferring that the justification for the charge is the

fact that the two dams make water available to irrigators. There was no justification for the inference as there had been ample water for irrigation before the dams were built and the dams were never built for irrigation purposes. It was completely contrary to the decisions the Government had made on more than one occasion from 1959 that irrigators along the river were not to be charged for using water, even though it may have been released from the dam.

- It was submitted in 1981 that the Central Brisbane River was one of the few areas where there is sufficient water for irrigation without the need for any artificial supplement. The immediate effect of a charge would be to wipe a substantial amount off the value of these properties because a property with a right to irrigate from a river without charges is worth more than the same property with charges. Farms purchase since 1959 were bought with an apparently established fact that irrigation licences did not carry a condition that the water charges were payable and that right must have been a component of that price.

- The request to rescind the decision to meter irrigation pumps and impose charges was granted. In 1981 Cabinet, in deciding not to charge irrigators decided to fix the amount of water abstraction by them to 7,000ML. That was considered sufficient to irrigate up to 1,000 ha of land within the area via area based licensing. Beyond that limit irrigators were not entitled to free water.

Queensland Government

Author: Bruce Brogan
File Number: BDO/515/000(1311/P5)
Woolloongabba Office
South East Region
Phone 32247373

Natural Resources and Mines

16 December 2005

E A Aitcheson and T Wilkinson
Southbank"
1681 Brisbane Valley Highway
Fernvale Qld 4306

Dear Sir/Madam

Water Amendment Act 2005

You hold water licence 52923C.

We are writing to inform you about the *Water Amendment Act 2005* (Water Amendment Act) which was passed recently by Parliament on 18 November 2005.

The Water Amendment Act provides for the *Water Act 2000* to support actions proposed to be taken by South East Queensland Water Corporation Limited ("SEQ Water") to deal with the current water supply shortage in South East Queensland.

SEQ Water is developing a drought management plan to manage the current critical water supply levels in its dams. The accurate measuring of water taken by its customers and the group of irrigators authorised to take water is an essential component of the plan.

You are affected by these amendments as it clarifies arrangements for the supply of water to the group of irrigators holding water licences issued by the Department to take water from the impoundments of Wivenhoe, Somerset and North Pine Dams or the section of the Brisbane River between Wivenhoe Dam and Mt Crosby Weir. These amendments have not yet commenced. It is anticipated these amendments will commence during the first quarter of 2006.

The amendments provide that these licensees will become a customer of SEQ Water and establishes a framework for metering under a standard water supply contract between SEQ Water and the individual licensee. The supply contract will be approved by the chief executive and the approval notified in the Queensland Government Gazette.

Level 3 Landcentre
Cnr Main & Vulture Streets
Woolloongabba Qld 4102
PO Box 1653 Coorparoo DC
Queensland 4151 Australia
Telephone + 61 7 32247373
Facsimile + 61 7 32242933
Website www.nrm.qld.gov.au

The supply contract will essentially deal with the requirements for the installation, reading and maintenance of meters and payment of the associated costs. The supply contract will also describe how any associated riparian taking of water for stock and domestic purposes through the meter will be managed. The metering process will commence following the gazettal of the supply contract. The supply contract will also deal with other more procedural matters. The Department proposes to consult with you (including through the Queensland Irrigators Council) on the form of the supply contract and the matters covered by the contract.

The amendments do not affect SEQ Water's current obligation to supply, free of charge, up to 7 000ML out of the company's allocation, the volume of water authorised to be taken under your water licence.

When the amendments commence and you become a customer of SEQ Water, its water restriction program will apply rather than the water restrictions imposed by the Department.

The Department and SEQ Water propose to meet with irrigators to provide further information and clarification on the amendments and the form of the supply contract. A meeting date is proposed early in 2006.

Members of the steering committee formed at the time of discussions about water restrictions have met with the Department and SEQ Water about the amendments. The committee would like to inform you about outcomes of its discussions but the Department is unable to provide your personal details to the committee under the provisions of the *Privacy Act*. To facilitate the ability of the committee to represent your views, the Department has agreed to support the committee in requesting that you, of your own volition, supply your contact details to the committee. You may do this by contacting the committee at:-

The Secretary
Mid Brisbane River Task Force
Mr David Keller
C/o Mr John Keller
426 O'Reilys Weir Road
Loowood Q 4311

A copy of the relevant sections of the Amending Act is provided in the attachment.

Should you require further information or clarification, please contact Mr Bruce Brogan Resource Management Officer (Water) at the Woolloongabba Office on 3224 7373.

Yours faithfully

[redacted]

Scott R Smith
Regional Manager – Water Services
South East Region

Att/.