

ATTENTION : Angus MacDonald.

Dear Angus,

Thank you for your recent presentation to water users of the Central Brisbane River Water Supply Scheme. I appreciated your "no nonsense" approach and felt that the detail was conveyed clearly and concisely. I do however have issues with SeqWater's submission on Pricing. Accordingly, please find my submission below.

Yours sincerely,

Steven and Heather Sinclair

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PRICING SUBMISSION- CENTRAL BRISBANE WATER SUPPLY SCHEME 2013/17.

We believe that there are No Actual or Justifiable Costs to SeqWater Directly Related to the Release of Irrigation Water.

1. SeqWater is unable to ACCURATELY measure water releases from the Dam. The amount of water taken from the river by Irrigators is so small as to be unable to be measured and accounted for during dam releases. SeqWater does not and has never calculated/included any allowance for Irrigators in their releases. Indeed the Irrigators water take is lost in " EnvironmentalFlow" estimations.

2. Unlike dedicated Irrigation Schemes elsewhere in the state, Seqwater does not require notification to release water, indeed it is almost impossible to make quick contact with any one from the Dam. Phone calls and emails generally go unanswered . Since the Flood Enquiry, there have been no notifications regarding unusual Dam releases of which there have been many. Clearly they are now having knee-jerk reactions to the slightest variation in storage levels. This has resulted in large amounts of additional workload for Irrigators monitoring, removing and reinstalling pumps that have only recently been repaired after the floods. In other words ,**SeqWater clearly have no interest in providing for and/ or protecting our interests or infrastructure.** I understand that there have been other Irrigators who have suffered further financial costs (submerged pumps) due to the

lack of release advices from SeqWater in recent times. This is currently not a service that one would pay for and would not occur on a dedicated irrigation scheme.

3. All of SeqWaters infrastructure and services are dedicated to the supply of water for Urban use as was clearly pointed out at the meeting. The Irrigators have no need for Wivenhoe Dam at all, let alone Somerset Dam, as historically there has always been ample water in the river reaches and water holes. The Irrigators certainly do not need the infrastructure and the associated bureaucracy to support a combined supply capacity totalling approx. 1,545,050. mgls to supply an almost negligible 6771 mgls annually. That is a supply of less than 18.6 mgls per day per annum spread over approx. 60 klm of riverfront property. It could easily be argued that this sort of volume is capable of accumulating in the river through overland run-off, seepage and various creeks and tributaries entering the Mid Brisbane. Whilst SeqWater is charged with making available water for irrigation, it does not necessarily follow that it is always sourced from the dam infrastructure. Lockyer Creek for example which enters at the start of the Irrigators reach has run long and hard for many months at a time over the last couple of years. SeqWater would argue that they have provided irrigation water, however that water certainly was not associated with the cost of operating and maintaining the dams.

4. All of SeqWaters ongoing service, maintenance and infrastructure costs relate to the supply and maintenance of potable water for their main customer SeqWater Grid Manager. There are considerable amounts of money spent ensuring the best quality water available to reduce treatment costs further downstream. The Irrigators, historically, have never had an issue with water quality in the river and therefore do not benefit from SeqWaters higher need and therefore additional expenditure regarding water quality requirements. It could be argued that Irrigators actually assist SeqWater and their desire for higher Water Quality by maintaining the stream banks of their properties at no cost to SeqWater and thereby saving additional treatment costs further downstream. At a personal level, we have made a conscious decision to not run cattle on our riverbank, so as to provide maximum cover and protection against erosion. This inturn helps improve water quality. We sacrifice close to 15% (30 acres)of our potential income producing land to promote this. If water prices become too high, than serious consideration has to be given to maximising property returns. This can only be detrimental for the river and SeqWater.

5. There is a simple test that is easily able to determine SeqWater's cost associated with the supposed delivery of irrigation water. QUESTION: How much will SeqWaters costs be reduced if all irrigators cease to take water from the river. ANSWER: NIL. !!!BECAUSE ALL OF SEQWATERS COSTS ARE RELATIVE TO AND ESSENTIAL FOR THE PRIMARY PURPOSE - URBAN AND INDUSTRIAL SUPPLY.

6. If after consideration, the QCA finds that Irrigators should be held accountable for Costs purportedly associated with the taking of Irrigation Water, then we would argue that those costs should be limited to the provision, maintenance and monitoring of meters to keep Irrigators accountable for water used and the minimal bookkeeping costs associated with the rendering of accounts. Further, we would argue that if a charge was to be made for Dam Operations etc. then that charge should be based as a volumetric percentage against Combined Supply Capacity, (Approx

.438%) not against SeqWaters allocation which is only a nominal amount set by Gov't. This would be a much fairer reflection of the Irrigators status and system infrastructure usage (essentially NIL) within the Central Brisbane Scheme. It could be argued that if Irrigators are to pay a nominal 2.4% of SeqWater's cost, then Irrigators should be entitled to 2.4% of the storage capacity of the dams. Clearly this is not the case.

7. Finally, should the QCA find agreement with Seqwater's approach, then we would reluctantly suggest the following Price Path for consideration. Proposed Price Path to commence 2013/14 water year.

Proposed Initial Price : \$21.52/ml.

Pricing Path : CPI + \$5.00 per annum. (Over 7 years.)

Tariff :SeqWater has proposed a "Single Fixed Tariff " for Irrigators. Whilst this makes SeqWater's bookkeeping somewhat easier, it really goes against the idea of water conservation. Through the drought years, the Qld Gov't through their various water departments spent obscene amounts of money promoting and encouraging water conservation , educating irrigators etc. If a Single Fixed Tariff is implemented, then irrigators are encouraged to potentially waste water as it is paid for whether used or not. Part A and Part B Tariff (70/30) would promote water conservation.

Desired Outcome : To set a pricing structure that while " initially softening the blow" will allow irrigators to move from a nil water cost to a " Full Cost of Recovery " pricing structure over time. The initial price should be set to encourage "sleeper" water allocation holders to commence water trading options thereby directing water to viable commercial enterprises (best and highest use) and also encouraging greater local economic activity. We believe the Proposed Price Path will deliver this outcome.

Thanking You,

Steven and Heather Sinclair

