

**Submission on the QCA's draft report**  
**Grahame Drynan**  
**15 September 2024**

Dear Sir,

I take the opportunity to provide a submission on your draft report on irrigation pricing.

I am an irrigator within a scheme covered by the Seqwater business.

The submission recommendations add to and supplement remarks made at the Gatton Workshop.

NO. 1 THAT THE QCA RECOMMEND THE REVIEW PERIOD COVER A TERM OF 6 YEARS.

The present term of 4 years effectively means that personnel are presently occupied in the water business and QCA on a full time basis preparing, reviewing and checking submissions. The water business is wholly unlikely to change its operations, and forecasts costs and revenue component categories are consistent.

The current availability of a review mechanism is appropriate. Seqwater sought reviews in their current application and QCA agreed. It is also noted that Seqwater, to their credit, has kept costs below QCA forecast predictions, and consequently actual costs are below actual receipts. Further, should the responsible Minister extend the four year term to a fifth or sixth year by increasing prices by a CPI figure, there has been an occasion where allowable costs for 4 years are not relevant for extra years. No reviews have been sought.

NO 2. THAT THE PROPOSED WATER USAGE FIGURES BASED ON HISTORICAL FIGURES FOR THE PREVIOUS 20 YEARS MAY NOT ALWAYS BE APPROPRIATE.

The submission is unable to obtain figures to verify the following comments. The Logan scheme has forecast usage of 6874 ml - assumed to be 4477 ml MP and 2397 ml HP. This last figure appears high. The forecast HP usage needs to consider the likely hood of water being sourced from the water grid and thus extractions from the Logan River being reduced accordingly. Exports to the grid should be included. The term usage has different meanings to different readers of the draft report.

NO. 3 THAT THE QCA FEES MAY NOT BE THE ACTUAL QCA COSTS OF THE REVIEW.

It is pleasing to note that this draft report has provided greater details of QCA fees than previous determinations have.

The QCA fees appear to have increased by approx 40% ( this submission's calculations) since the last review and would now be somewhere between \$1 and \$2 per ML of WAE. The driver behind this increase is outside the influence of the QCA.

However it would be good to know the actual costs so that irrigators may have some idea of possible future cost inputs.

NO 4. THAT CLARITY OF HOW "ALLOWABLE COSTS" ARE CONVERTED TO PRICE/ML BE FULLY DETAILED.

This submission noted the Treasurer's direction in the Referral Notice for the QCA to provide "revenue and pricing outcomes that are both simple and transparent for customers" The draft report does not provide a transparent, logically sequenced calculation. It is acknowledged that a

diagram has been presented on how prices are derived but without relevant numbers attached, it is difficult to follow how the many reports' tables and graphs are used to arrive at the final price.