

DEPOSITED
1999

SUBMISSION

To the

PRODUCTIVITY COMMISSION

On the

**IMPACT OF COMPETITION POLICY
REFORMS ON RURAL AND REGIONAL
AUSTRALIA**

18 December 1998.

South Burdekin Water Board
28 Ninth Street
PO Box 376
Home Hill NQ 4806

Groundwater Replenishment Since 1966.

South Burdekin Water Board

(Inaugurated 1966)

Annual



Year Ended 30 June 1998

South Burdekin Water Board

28 Ninth Street, PO Box 376, Home Hill. N.Q. 4806

Reference:WCL:BRB:3112

18th December, 1998

Productivity Commission

PO Box 80

Canberra ACT 2616

Subject:

Inquiry into Impact of Competition Policy Reforms on Rural and Regional Australia.

Introduction:

The invitation to participate in this inquiry is appreciated. The following brief submission is presented for your consideration.

History:

The South Burdekin Water Board was established by Queensland Legislation 31st March 1966 which in part provides;

"To utilise part of the flow of the Burdekin River to replenish the subterranean water supplies of the southern part of the Burdekin Delta and to thereby increase the quantity and improve the quality of the supply available from this source for irrigation, domestic, stock and industrial purposes."

The Board, as part of the Burdekin Delta Recharge Scheme has been guided by this charter to operate successfully since its inception.

Increased agricultural production, which is predominantly sugar cane, has been derived from the operational benefits of the Board's activities. Evidence of such progressive planning can be evaluated when comparing 700,000 tonnes of cane grown in 1966 to the current estimate of 1,600,000 tonnes of production within the benefited area. Consequently, this enhancement generates national wealth through export and domestic markets.

Industry financing and management by this *autonomous local board* can be proudly shown as a good example of a self help, community based and managed scheme, resulting in a service provided to scheme contributors considered parallel on a smaller scale to major public irrigation projects and at no cost to Government. The Board considers its autonomy a high priority for success providing the ability to deal with and remain in tune with local issues as well as evaluating continuous improvement within financial limitations.

As a non profit, non commercial organisation seeking to remain the vehicle for common goals and interests, certain priority is therefore placed on minimising costs to industry.

Futures marketing now emphasises the need to become more focussed on overall production costs, whilst providing margins for adverse factors such as weather, pests and unavoidable impacts!

It must also be emphasised that this industry board membership comprises:

- One member representing the Queensland Department of Natural Resources
- One member representing the Burdekin Shire Council
- Two members representing the owners of the Inkerman Sugar Mill
- Four members elected by the Inkerman Mill Suppliers.

Refer: Appendix 1 - South Burdekin Water Board Annual Report Year Ended 30 June 1998.

Our Understanding of Agenda for Water Industry Reform: - Comprises two parts

1. The objectives of *COAG Reforms*; By 2001, achieve a water industry that is economically efficient and ecologically sustainable, and which delivers better environmental outcomes. The COAG Strategic Framework for water industry reform consists of five elements:

- Cost recovery and pricing
- Water allocations and trading
- Public consultation
- Environment and water quality
- Institutional reform

2. *National Competition Policy* centres on;

- Extension of Trade Practices Act (1971) to include unincorporated businesses and State and Tertiary Government Businesses.
- Extension of prices surveillance to State and Territory Government Businesses.
- Application of competitive neutrality principles.
- Restructuring of public sector monopoly businesses.
- Reviewing all laws which restrict competition.
- Providing for third party access to nationally significant infrastructure.

Concerns with NCP

1. *Creation of undue cost on industry by mandatory application of institutional accountability:*

Refer: Appendix 2 - Copy of submission to the Queensland Department of Natural Resources - Water Infrastructure Administration seeking exemptions under legislation.

2. *Creation of undue cost to industry by providing for third party access:*

Concern that emphasis will shift from "Nationally significant infrastructure" toward a much lesser level of infrastructure provided by a *non commercial* entity, for establishing "access rights".

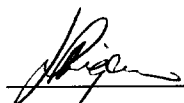
3. *Extension of prices surveillance:*

Refer: Appendix 3 - copy of submission to the Industry Commission in 1992 on; "Water Resources and Waste Water Disposal".

Concern with institutional reform process and how audit of cost recovery and pricing reflects the true price of water in particular to the Board's issue of contention expressed in the 1992 Submission.

Yours faithfully,

South Burdekin Water Board

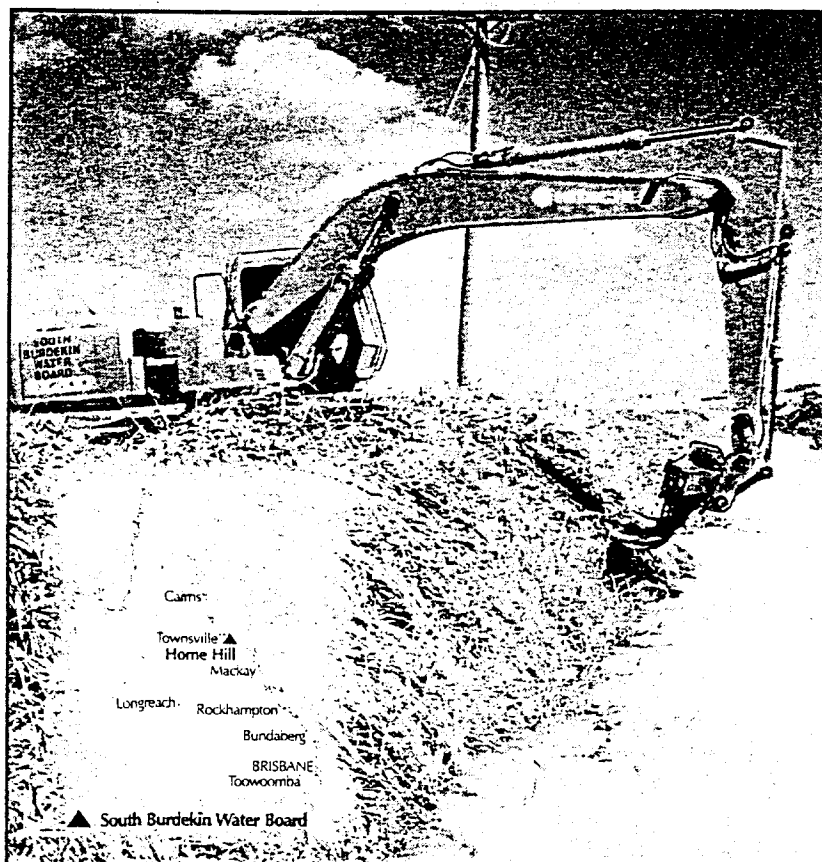


LA Rigano

Chairman

SOUTH *BURDEKIN* WATER *BOARD*

This thirty-second Annual Report outlines the physical
and financial activities of the South Burdekin Water
Board for the year
1st July, 1997 to 30th June, 1998.



above: Excavator clearing aquatic vegetation from waterways

1. Constitution and Functions:

The South Burdekin Water Board is constituted under the Water Resources Act 1989. The Order in Council dated 31.03.1966 constitutes the Board and area under the name of "South Burdekin Water Board".

Function of the Board:

"To constitute a Water Area and to construct works of improvement of subterranean water supplies and to constitute a Board for constructing, maintaining and administering such works."

Purpose for which the Area is constituted:

"The said area is constituted to utilise part of the flow of the Burdekin River to replenish the subterranean water supplies of the southern part of the Burdekin Delta and to thereby increase the quantity and improve the quality of supply available from this source for irrigation, domestic, stock and industrial purposes."

2. Access:

The Board's Office and Workshop are situated at 28 Ninth Street, Home Hill.

3. Management:

3.1 Members

L.A. Rigano	-	Canegrowers Representative (Jul 90 - Current)
Chairman		
R.W. Juffs		Miller Representative (Jul 95 - Current)
M.R. Day		Miller Representative (Feb 96 - July 98)
R.A. Menkens		Canegrowers Representative (Jul 87 - Current)
L.A. Loizou		Canegrowers Representative (Jul 96 - Current)
DJ Woods		Canegrowers Representative (Jul 96 - Current)
P. Gilbey		DNR Representative (Feb 97 - Current)
J.F. Woods		Burdekin Shire Council Representative (Jun 97-Current)

3.2 Staff:

W.C. Lewis	Manager and Secretary
B.R. Bates	Administration Officer
C.R. Papale	Water Officer
E.W. Cox	Field Officer
D.E. Parravicini	Field Officer

4. Report:

Compiled and submitted on and after 31st August, 1998.

5. Review of Forward Operations:

5.1 Climatic Influence:

Rainfall recorded at the Board Depot over the past twelve months totalled 1023mm, supporting a distinct change away from below average rainfall associated with drought years. (see table II) The 1998 wet season arrived early, first with substantial rain occurring in December followed by equally good registrations for January. Further soaking rain each month generally benefited crop production with additional benefit to conserve groundwater resources.

5.2 Future Projects:

Upgrade of the Board's Water Distribution System continues under future works programs:

- **Recharge Areas -**
Progressively dry, clean and resand as necessary effective intrusion sites. Redevelopment of Shoyer Recharge Pit, involving removal of contaminated sand filter and replacement with clean screened river sand is planned. Further development of Vass Recharge Area will occur as on farm activities permit.
- **Channel Distribution -**
Construction of a channel flow control structure is approved for Central Diversion Channel. Works will be undertaken when appropriate closure of the channel can be arranged.
- **Channel Maintenance -**
Provide regular mechanical cleaning to all diversion channels as required for water distribution. Maintain traffic ways to all board channel crossings as necessary.
- **Land Tenure -**
Continue with formalisation of outstanding easements over all Board works.
- **Water Allocation -**
The Board's commitment to purchase an extra 10,000 megalitres of water allocation for replenishment, has been acknowledged by the Department of Natural Resources for inclusion in review of the current allocation agreement programmed for December 1998.

5.3 Benefit from Recharge Operations:

- Policies of the Board remain consistent with the purpose for which the area is constituted.
- The Board maintains the requirement of proven bore pumping facilities to establish and sustain crops.
- Supply of Surface Water is considered by the Board on a policy basis to improve the quality of water available with added advantage of its use to conserve underground levels.
- The continued existence of the Board to implement new proposals, maintain and administer existing operations is evidenced by the following productivity table of farms within the benefited area. (see Table I)

5.4 General Statistics - As at 30.06.98

Properties within the Board serviced area:..... Rural	226
..... Urban	1,430
Total Benefited area	27,450 ha
Length of Pipelines under the Boards control.....	13.9 km
Length of Channels under the Boards control.....	116 km
Rating Charges: Farmer Levy	50 cents/tonne
Miller Levy.....	25 cents/tonne
Value of Capital Works.....	\$3,588,770
Loan Indebtedness.....	\$Nil
Farms Pumping from channels/lagoons	126
Number of Pumping Permits/Alternate Sites held by Farmers	195
Area under Sugar Cane.....	13,111 ha
Other Crops.....	97 ha

Table I - Farm Productivity

Year	Rainfall mm	Replenishment Ml	Cane Harvested Tonnes	Tonnes Cane Harv/ha	Comments
1965-66	640		723,997	95.26	
1966-67	782	12,956	707,996	97.29	
1967-68	1,514	18,696	763,670	105.22	
1968-69	277	17,694	809,022	112.56	
1969-70	507	21,695	814,918	112.38	
1970-71	1,000	43,146	749,115	116.78	Limited Acquisition
1971-72	1,401	36,929	805,666	129.63	
1972-73	841	49,201	824,957	102.60	Cycl Althea/Bronwyn
1973-74	1,887	25,919	957,905	136.53	
1974-75	724	47,256	1,202,108	138.20	
1975-76	1,945	26,113	913,369	121.36	Rain restricted harv
1976-77	1,273	31,451	1,191,447	123.48	Rain restricted harv
1977-78	722	51,175	966,449	103.79	Top Rot Disease
1978-79	1,638	26,319	973,845	124.85	
1979-80	811	38,895	975,198	114.81	Cyclone Kerry/Peter
1980-81	1,130	26,288	1,093,883	120.10	

Farm Productivity Table (Contd)

1981-82	609	64,440	1,114,000	100.36	
1982-83	690	38,044	1,084,515	109.32	Dry Period
1983-84	519	65,731	1,234,024	124.46	Short Wet
1984-85	670	60,101	1,155,165	116.09	Dry Period
1985-86	667	52,435	1,127,222	116.18	Dry Period
1986-87	441	74,019	1,050,156	114.14	Dry Period
1987-88	711	88,047	1,176,415	116.90	Dry - Cyclone Charlie
1988-89	1,337	64,021	1,212,086	115.30	Hvy Short Wet - Aivu
1989-90	1,166	68,161	1,261,917	115.60	Cyclone Hilda/Ivor
1990-91	1,923	45,699	1,244,922	105.00	Cycl Joy, Feb Flood
1991-92	607	79,441	1,014,270	85.06	Dry Period
1992-93	428	114,303	1,490,807	126.53	Dry Period
1993-94	463	82,664	1,515,418	126.73	Dry Period
1994-95	385	89,765	1,553,352	126.27	Dry Period
1995-96	755	86,360	1,562,335	124.49	Dry Period
1996-97	1,040	72,197	1,549,428	119.52	Short Wet
1997-98	1,023	67,432	1,550,427	118.25	Cane grub damage

6. Review of Operations:**6.1 Meetings and Inspections:**

- 12 Regular Meetings
- 4 Special Meetings
- 5 Sub-Committee Meetings

6.2 Replenishment Operations:**6.2.1 Natural Recharge:**

Fortunately rain occurred during most months resulting in benefits to both production and pumping from the river. (see table II)

Cold winter temperatures, at times below 10°C continued into August when sunny days and cool nights introduced warmer spring weather. Late afternoon thunderstorms developed in early November as cyclone 'Nute', the first cyclone named for the season, developed in the eastern Coral Sea and attracted hot westerly winds. Consequently, excessive summer heat persisted until the last week of December before relief came with widespread heavy rain influenced by Cyclone "Sid" in the Gulf of Carpentaria. Cyclone 'Katrina' contributed to the inundation of Townsville and provided good rain to the Burdekin Catchment during the first week of January. As a result, the Burdekin Falls Dam overtopped causing medium flood flows in the Burdekin River which reached a level of approximately 9 metres at Inkerman Bridge. Continuing river flood flows over approximately four months combined with regular rainfall, and contributed to excellent natural recharge of the Delta Aquifer as illustrated in 6.2.2.

6.2.2 Artificial Recharge:

Unfortunately consistent widespread rainfall to local catchments promotes water inflow to the river system high in soil suspension. Average river water turbidity throughout the year was recorded at approximately 319 parts per million, which is not acceptable for entry into artificial recharge pits. Farmer demand for surface water also remained uncertain due to rainfall, so benefit via water spreading was generally limited.

Fortunately average groundwater levels were only lightly reduced by production bore demand, and as river water quality improved toward the end of the period, recharge pits became operational. Average monthly movement of groundwater levels determined by observation bores are shown below.

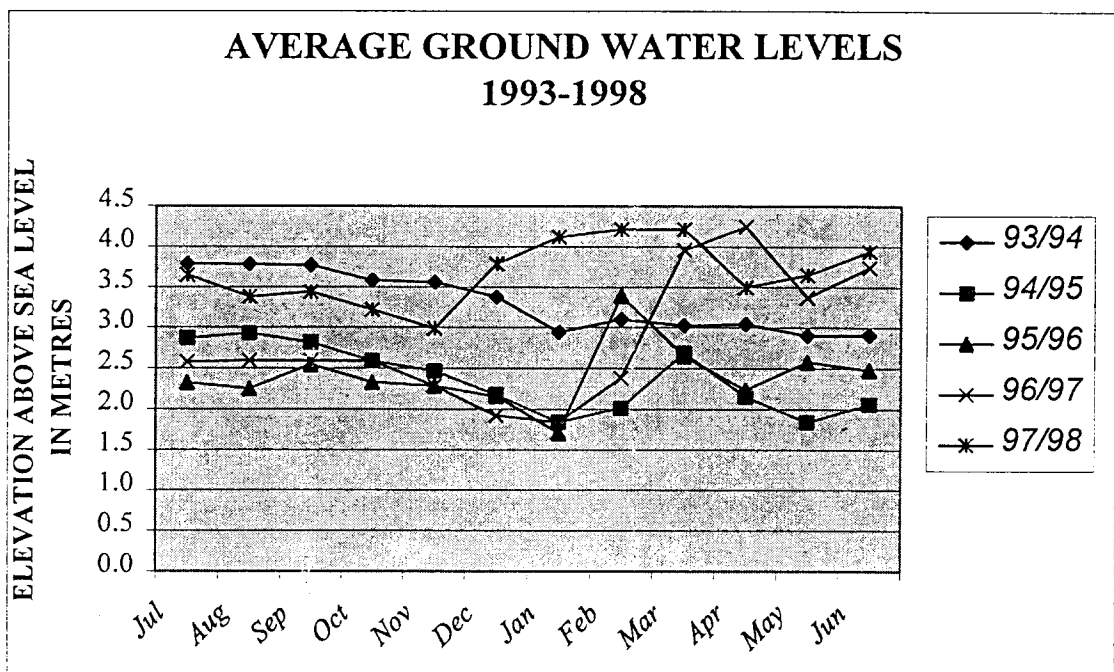


Table II - Rainfall at Home Hill in mm:

Month	1989	1990	1991	1992	1993	1994	1995	1996	1997
	1990	1991	1992	1993	1994	1995	1996	1997	1998
July	38	7	0	0	14	0	0	9	16
August	15	0	0	0	16	0	114	1	37
September	0	0	0	21	36	0	0	11	0
October	11	11	2	0	25	0	46	24	54
November	84	0	17	26	62	6	40	20	2
December	82	467	50	164	56	30	49	56	378
January	74	757	15	116	15	114	424	102	277
February	0	602	344	73	122	194	28	411	89
March	379	6	38	0	117	11	9	293	32
April	288	27	0	0	0	4	27	13	14
May	197	32	101	18	0	26	13	72	112
June	90	14	40	10	0	0	5	28	12
Totals	1256	1923	607	428	463	379	755	1040	1023

Table III - Pumping Summary - River Stations

<i>Month</i>	<i>W/Gully</i>	<i>McDowell's</i>	<i>D/River</i>	<i>Total</i>
July	1,816	1,256	87	3,159
August	2,803	1,934	339	5,076
September	1,769	1,675	284	3,728
October	4,721	2,991	631	8,343
November	4,772	3,842	991	9,605
December	3,027	2,877	462	6,366
January	367	475	61	903
February	3,393	3,620	734	7,747
March	2,613	2,763	252	5,628
April	4,105	3,099	702	7,906
May	1,914	1,057	85	3,056
June	3,134	2,563	218	5,915
Totals	34,434	28,152	4,846	67,432

Table IV - Relift, River levels, Turbidity & Fords Underground Levels

<i>Month</i>	<i>Malapontes MI</i>	<i>Osborne MI</i>	<i>Fords MI</i>	<i>S/Creek MI</i>	<i>Hodder's MI</i>	<i>River m(Avg)</i>	<i>Turbid. ppm(Avg)</i>	<i>Fords U/G m(Avg)</i>
July	0	0	0	58	105	2.82	196	2.665
August	0	0	416	121	167	2.79	160	2.455
September	0	0	0	98	160	2.81	148	2.388
October	0	121	0	238	292	2.77	146	2.208
November	0	0	0	78	326	2.89	204	1.819
December	0	168	0	278	290	3.13	555	1.596
January	0	0	0	0	0	4.18	1,319	2.700
February	0	0	0	209	125	3.59	550	2.918
March	0	0	0	36	55	3.36	380	2.911
April	0	364	0	404	210	2.27	162	2.569
May	0	203	187	0	0	2.82	249	2.767
June	0	648	0	25	36	2.50	74	2.602
TOTALS	0	1504	603	1545	1766	2.76	319	2.277

The following Tables V, VI, VII and VIII are an indication of River Pumping.

Table V - Total Water Pumped by Warrens Gully Pump Station in MI:

<i>Month</i>	<i>1989</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>
	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>
Jul	881	-	2165	2327	2164	1352	3952	3728	1816
Aug	2468	1428	2633	2972	3010	2043	548	2765	2803
Sep	2700	2385	4235	3743	2526	2792	1998	3277	1769
Oct	4110	3667	4498	2940	4139	3476	4134	2582	4721
Nov	2795	3957	3954	4485	3671	3494	4331	3185	4772
Dec	2220	3474	4196	3998	4310	3728	4944	5020	3027
Jan	3850	-	4550	2815	4615	3585	1971	5021	367
Feb	3544	-	3034	4100	2374	2841	4130	265	3393
Mar	2838	-	2948	4523	1798	4896	4946	939	2613
Apr	-	706	3376	4282	4068	5024	4926	3647	4105
May	539	1587	1636	2953	3661	5361	3312	1279	1914
Jun	-	1437	0	3645	2124	4956	3996	814	3134
TOTALS	25945	18642	37226	42784	38462	43548	43188	32522	34434

Table VI - Total Water Pumped by McDowells Pump Station in Ml:

<i>Month</i>	1989	1990	1991	1992	1993	1994	1995	1996	1997
	1990	1991	1992	1993	1994	1995	1996	1997	1998
Jul	3696	-	2052	3569	3979	2650	2797	3438	1256
Aug	3338	1203	2052	4477	4440	2482	621	4085	1934
Sep	3121	2971	2340	5153	3101	2728	3631	4147	1675
Oct	4661	4218	2831	6587	4468	2595	3536	2958	2991
Nov	3923	4910	1921	6572	1837	3770	3208	4352	3842
Dec	2926	4508	3948	6040	3115	3916	3350	3804	2877
Jan	5165	-	4563	4269	3982	3420	1636	4085	475
Feb	6057	-	3593	5920	2251	2529	2642	268	3620
Mar	3815	-	3125	6777	2005	3398	4158	969	2763
Apr	-	1691	4895	6015	2478	3799	4116	2379	3099
May	750	2003	2346	3502	2480	3042	3093	1496	1057
Jun	-	1437	0	3694	2055	2575	3067	760	2563
TOTAL	37452	22941	33665	62575	36191	36904	35855	32741	28152

Total water pumped by McDowell's Station during 1997/98 was 28,152 Megalitres.

Table VII - Total Water Pumped by Down River Pump Station in Ml:

<i>Month</i>	1989	1990	1991	1992	1993	1994	1995	1996	1997
	1990	1991	1992	1993	1994	1995	1996	1997	1998
Jul	-	-	426	387	436	873	566	364	87
Aug	303	492	511	642	610	427	156	535	339
Sep	607	325	714	649	257	555	516	749	284
Oct	450	479	1161	1033	756	1094	636	707	631
Nov	472	761	742	1233	793	873	898	1184	991
Dec	504	1042	783	540	922	1223	747	996	462
Jan	882	-	1016	628	1267	1026	562	1332	61
Feb	937	-	850	885	638	540	591	134	734
Mar	405	-	1011	701	511	834	1035	293	252
Apr	-	489	1192	1152	1048	664	829	424	702
May	204	306	145	612	407	705	473	216	85
Jun	-	221	0	481	366	499	308	0	218
TOTAL	4764	4116	8550	8943	8011	9313	7317	6934	4846

Total water delivered by the Down River units was 4,846 Megalitres.

Table VIII - Total Water Pumped from the Burdekin River in MI:

<i>Year</i>	<i>Warrens Gully</i>	<i>McDowell's</i>	<i>Down River</i>	<i>Total</i>
1966-1987	430,251	322,111	77,395	829,757
1987-88	39,270	40,704	8,073	88,047
1988-89	28,986	29,704	5,331	64,021
1989-90	25,945	37,452	4,764	68,161
1990-91	18,642	22,941	4,116	45,699
1991-92	37,226	33,665	8,550	79,441
1992-93	42,785	62,575	8,943	114,303
1993-94	38,462	36,191	8,011	82,664
1994-95	43,548	36,904	9,313	89,765
1995-96	43,188	35,855	7,317	86,360
1996-97	32,522	32,741	6,934	72,197
1997-98	34,434	28,152	4,846	67,432
TOTALS	815,259	718,995	153,593	1,687,847

Table IX - Total Surface Water Pumped by Farmers - MI:

<i>Year</i>	<i>MI</i>	<i>Year</i>	<i>MI</i>	<i>Year</i>	<i>MI</i>
1968-75	11,587	1982-83	4,980	1990-91	22,323
1975-76	652	1983-84	8,771	1991-92	36,960
1976-77	1,215	1984-85	9,495	1992-93	38,166
1977-78	2,432	1985-86	10,625	1993-94	39,237
1978-79	2,345	1986-87	18,737	1994-95	52,024
1979-80	4,515	1987-88	26,159	1995-96	50,169
1980-81	3,467	1988-89	17,519	1996-97	40,354
1981-82	8,585	1989-90	22,524	1997-98	38,124

Total Surface water pumped to date is 770,965 Megalitres. To date, 195 surface water permits/alternate sites are current between 126 Farms.

6.3 General Policies

The policies of the Board remain generally:

- (a) The consolidation and upgrading of existing works so that maximum underground replenishment may be obtained.
- (b) The installation and upgrading of river pumping facilities to provide maximum output to service activities of the Board.
- (c) Development and maintenance of recharge pit and intrusion areas where economically viable.
- (d) The control of salt intrusion to groundwater storage by way of tidal control barrages at sea-board profiles.
- (e) To permit Farmers open water pumping when proven groundwater supplies are of a poor quality or becomes impractical to procure or inadequate to service a crop.

- (f) The adoption of land easements over developmental area in preference to the legal formalities of resumption.
- (g) To ensure that obvious environmental aspects are fully considered when proceeding with Board activities.
- (h) The maximum use of mechanical measures to control aquatic channel growth in preference to chemical applications.
- (i) Staff policy supports a multi-skill approach where possible, with remuneration awarded at comparable industry levels and recognising productivity.
- (j) In all respects, to maintain satisfactory groundwater by development and management of all resources available to the Board.
- (k) In general, the promotion of good working relationships with grower producers, secondary and support organisations and the relevant Government levels associated with the Board's operations.

6.4 Operations

6.4.1 River Pumping Stations:

All river stations operated without incident through the peak demand summer period. Shut down in December with the onset of good rain was reviewed in late January, when uncertain further rain promoted farmer demands for replenishment of waterways. As February storms developed, electrical surge caused failure of both Down River and McDowells No 3 pumps, requiring workshop repairs. As opportunity existed to also overhaul McDowells No 2 during low demand, this pump was also removed.

6.4.2 Relift Pump Stations:

Ford and Osborne relift pump stations were limited in operation to water quality suitable for the recharge pits they supply. Sandy Creek and Hodder pumps transferred water on demand from Down River to Alma recharge area without major incident.

6.4.3 Distribution:

The opportunity to upgrade distribution channel works was taken during low demand periods from March to June. A new crossing of Warrens Gully Diversion at Tuffin Road was undertaken with the Burdekin Shire Council. Upgrade of two crossings at Youngs, replacement of two crossings at Davernports, and replacement of Gullotta Crossing, all within the Iyah and Mathers Diversion systems were completed during the period.

In addition, repairs to the Lakes Diversion control structure and supervision of a new privately financed crossing of Porters lagoon Diversion at Populins, all provided a varied works program substantially assisted by availability of contract formsetting and favourable weather.

6.4.4 Recharge and Intrusion Areas:

Redevelopment of both Woods and Burva recharge pits, as well as the installation of a rain water intrusion trench in Kidby Gully at Patane's were completed during December. Development of two new recharge areas were programmed around harvesting and crop plough out. Licciardello's recharge area was completed and accepted water during January. Similarly, the Vass recharge area has progressed to date with that site recently available to install the supply pipeline. The supply of clean, clear river water during the last month of the period has certainly proven effectiveness of these sites for aquifer recharge.

6.4.5 River Water Summary:

- August turbidity average 160ppm.
- Burdekin Falls Dam 89% in September, storing 1,675,000 megalitres at 1m below the spillway.
- Burdekin Falls Dam 83% in October discharging approximately 3,456 megalitres per day and 1.5m below the spillway.
- November turbidity average 204 ppm.
- Burdekin Falls Dam 125% in January; storage estimated at 2,320,000 megalitres, 2m over spillway with estimated discharge of 190,000 megalitres per day.
- Burdekin River at Inkerman Bridge reached 9.15m on 13th January falling to 3.4m by the end of the month.
- Burdekin Falls Dam in February approximately .200m over spillway with inflow estimated at 2,500 megalitres per day and discharge approximately 8,000 megalitres per day.
- Burdekin Falls Dam in March approximately .56m over spillway, storing approximately 2,000,000 megalitres and discharge estimated at 30,000 megalitres per day.
- March turbidity average 380ppm.
- Burdekin Falls Dam in May, approximately .22m below spillway storing estimated 1,812,000 megalitres and discharging approximately 1,700 megalitres per day.
- Planned shut down of Clare Weir 8 to 23 June with release at approximately 500 megalitres per day.
- June turbidity average 74 ppm – excellent water quality for artificial recharge!

6.4.6 Sand Dams:

Construction and maintenance of sand dams were subject to river outflow. Major reconstruction of the 'Annabranche Dam' above tidal influence and Marano Dam approximately 2 kilometres above the bridge were possible as early as February with usual cooperation of the North Burdekin Water Board. Sand dams maintaining pumping pool pondage at Warrens Gully and McDowells River Stations required constant attention until river flows became regulated. All main sand dams were in place by April.

6.4.7 Water Allocation: Pumping summary for 1997/98

Mth	W/Gully	McDowells	D/River	Stn		96/97	95/96
				Total	F/Cast		
Jul	1,816	1,256	87	3,159	6,400	7,530	7,315
Aug	2,803	1,934	339	5,076	12,800	7,385	1,325
Sep	1,769	1,675	284	3,728	19,200	8,173	6,145
Oct	4,721	2,991	631	8,343	25,600	6,247	8,306
Nov	4,772	3,842	991	9,605	32,000	8,721	8,437
Dec	3,027	2,877	462	6,366	38,400	9,820	9,041
Jan	367	475	61	903	44,800	10,438	4,169
Feb	3,393	3,620	734	7,747	51,200	667	7,363
Mar	2,613	2,763	252	5,628	57,600	2,201	10,139
Apr	4,105	3,099	702	7,906	64,000	6,450	9,871
May	1,914	1,057	85	3,056	70,400	2,991	6,878
Jun	3,134	2,563	218	5,915	76,800	1,574	7,371
	34,434	28,152	4,846	67,432	76,800	72,197	86,360

Total Diversion Volume from the River is 9,368 megalitres below annual fixed charge volume forecast. (Nil Out of Allocation Water was used during the 97/98 year.)

Of the total 67,432 megalitres, surface water pumped by farmers totalled 38,124 megalitres, an average of 4.48Ml/ha over 8,507 hectares of area under permits to pump. The remaining balance of 29,308 megalitres went to replenishment via pit recharge (4,820 Ml) and in channel intrusion (24,488 Ml). Farmers pumping 'excess' surface water over the 4 Ml/ha base volume has been calculated at 10,946 megalitres.

6.4.8 Points of Interest:

- Consultants Sinclair Knight Merz Pty Ltd delivered the report, 'Burdekin River Issues - 1996' in August 1997. The three sections of the report, Technical, Legal, Crop and Water Use, analyses management practices of both Delta Water Boards, providing recommendations toward future water resource management and the long term sustainability of the groundwater resource.

- Board representatives have participated in the following initiatives and attendances:
 - Burdekin River Issues Study – Sinclair Knight Merz Pty Ltd.
 - Interim Local Management Committee – provides the forum through which the transition to local management of government owned irrigation schemes is negotiated with the Queensland Government.
 - Australian National Committee on Irrigation and Drainage (ANCID) Conference held at Deniliquin NSW.
 - Burdekin Integrated Floodplain Management Advisory Committee (BIFMAC) – to identify area specific concerns relevant to Landcare, toward development of a Burdekin Dry Tropics Regional Strategy for Integrated Natural Resource Management.
 - Department of Natural Resources Rural Water Boards Reference Group – formed to assist with review of Queensland's rural water and drainage boards to simplify legislative policy and administrative requirements.
 - Burdekin Shire Council Weed Advisory Group.
 - Burdekin Geographical Information Service (GIS) Joint Resource Information Centre – a project initiated by the Burdekin Shire Council involving key stakeholder groups to decide how best to share and utilise GIS data.
 - Presentation of CANEGROWERS Code of Practice for sustainable cane growing in Queensland.
 - Administrative Appeals Tribunal toward reinstatement of entitlement to diesel fuel excise removed by Australian Customs Service.
 - The Board took delivery of a new Hitachi EX200-5 Track Excavator as replacement under current policy.
 - The 1998 crushing season commenced 9th June with widespread cane grub damage evident, which is expected to impact substantially on final production estimates.
 - When the Queensland Centre of Climatic Applications predicted a developing 'El Nino' effect in the Eastern Pacific in June 1997, it attracted media attention across the world and created general awareness of adverse weather patterns. Many natural disasters have since occurred and in particular the severe flooding of Townsville on the 9th January, when a rain depression dumped 540mm of rain on the region in a short nine hour period. Weather watchers were excused by the media in Townsville for thinking strange events would occur, as

two days prior to this event, three cyclones –“Katrina, Susan and Ron’ in the Pacific Ocean, and five planets – Venus, Neptune, Uranus, Mars and Jupiter lined Up!

6.4.9 Finance:

A good distribution of rain throughout the year without natural disaster events has once again provided immense operational benefits to the board and longer term groundwater benefits to the area. Inkerman Sugar Mill commenced crushing the 1997 season on the 10th June with a total throughput of 1.81 millions tonnes when crushing ceased on the 8th November. The mill averaged 116.2 tonnes per hectare, however 1,550,427.46 tonnes grown in the Board’s benefited area averaged 118.25 tonnes per hectare. Productivity decline measured against previous years is principally attributed to cane grub damage which is increasing.

The Board has retained the sugar cane levy at 75 cents for the 1998/1999 year.

Notes to and forming part of the financial statements provide a summary of additional financial information.

6.4.10 Financial Statements

Statement of Receipts and Payments for the year ending 30 June 1997

Operating Fund: Page 16

Capital Works Fund: Page 17

Reserve Fund: Page 18

Notes to and Forming Part of Financial Statements Page 19

Certificate of the South Burdekin Water Board Page 22

Audit Certificate Page 23

6.4.10 Chairman Comments:

Twelve months ago we contemplated uncertainty when Queensland’s Centre for Climatic Applications announced observations of a developing El Nino effect in the eastern Pacific Ocean. Their prediction was for an ensuing year similar to that experienced in 1994, and our thoughts of another drought period after such a good wet season were those of disbelief!

“Blame it on El Nino”, became the catch phrase for Rural Australia during 1997, and in retrospect it would appear that our area has experienced this weather phenomenon before. It may simply be, that the El Nino influence brings to our dry tropics area some degree of rainfall distribution over a twelve

month period, rather than extreme one off events better known to us as the wet season.

Fortunately since that prediction, rain has been recorded during all months except September, greatly assisting irrigation load. This in turn has contributed to the preservation of healthy groundwater levels, which have further benefitted from December and January rain this year. Furthermore, as a result of catchment runoff, river water quality has remained constantly dirty and unsuitable for direct artificial recharge activities, providing opportunity for distribution of open water through replenishment of channels and lagoons.

The report commissioned by both Delta Water Boards from consultants Sinclair, Knight Merz was completed in August and presentation of this study to Growers is planned in the near future. Recommendations from this report support the Board's current planned works program to develop a line of intrusion works along the south western aspect of the Board's area to resist movement of poor quality groundwater into the Delta Aquifer. Completion of Licciardello's recharge pit and progress with development of an off stream intrusion area in David Vass's farm will complement interconnection with the completed redevelopment of Burva Recharge Pit and other established works. Purchase of 10,000 megalitres of water allocation has been approved to contribute toward the operational needs of these new developments. Other planned works completed include, redevelopment of Woods Pit within the Ford Gully System and a storm water intrusion trench in the bed of Kidby Gully below Burdekin Road.

The Board's 1998/99 Budget has been determined on retention of the sugar cane levy at 75 cents. Current crop estimates from the past good season may be offset by anticipated crop production loss from cane grub damage and storm impacts, however the Board is also mindful of sugar industry futures and supports minimising direct on farm costs.

On behalf of Board Members and Staff I thank all Growers and CSR Inkerman Mill for their support and co-operation in maintaining the success of our scheme. I gratefully acknowledge the professionalism and dedication of our staff to provide, in my view, excellent service delivery and also thank kindred organisations for their interest shown and assistance toward mutual benefits for our community.


LA Rjgano
Chairman

SOUTH BURDEKIN WATER BOARD

OPERATING FUND

STATEMENT OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 30 JUNE 1998

	Notes	1997/98	1996/97
		\$	\$
Balance at commencement of year -			
Cash at Bank		27,557	25,547
Investments (at cost)		455,467	592,708
		<u>483,024</u>	
Receipts for the year were -			
Rates and Charges		377,024	469,788
Interest on Investments, etc.	(1)	38,689	54,817
Levy on Cane		1,198,123	1,162,071
Other	(2)	-5,229	17,994
		<u>1,608,607</u>	
Payments for the year were -			
Administration Expenses	(3)	445,650	425,942
Interest on Loans		890	2,584
Operation and Maintenance	(4)	444,178	540,674
Purchase of Plant and Motor Vehicles	(5)	14,033	11,890
Update Office Furniture	(5)	4,503	10,919
Loan Redemption		42,534	3,189
Transfers to Capital Works Fund		0	150,304
Transfers to Reserve Fund		660,000	620,000
Water Allocation - Fixed Charge		73,500	74,400
		<u>1,685,288</u>	
Leaving a year end balance comprising -			
Cash at Bank		10,841	27,557
Investments (at cost)		395,502	455,466
		<u>\$406,343</u>	<u>\$ 483,023</u>

SOUTH BURDEKIN WATER BOARD

CAPITAL WORKS FUND

STATEMENT OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 30 JUNE 1998

	Notes	1997/98	1996/97
		\$	\$
Balance at commencement of year -			
Cash at Bank		-3,588	9,516
Investments (at cost)		230,577	110,302
		226,989	
Receipts for the year were -			
Transfers from Operating Fund		-	150,304
Interest on Investments		10,405	11,676
		10,405	
Payments for the year were -			
Approved Works -			
Upgrade Distribution System		24,165	0
Upgrade Ford Gully Relift Station		-	43,065
Upgrade Warrens Gully Pump Station		-	68
Interest transferred to Operating Fund		10,405	11,676
		34,570	
Leaving a year end balance comprising -			
Cash at Bank		5,799	-3,588
Investments (at cost)		197,025	230,577
		(6) \$202,824	\$ 226,989

SOUTH BURDEKIN WATER BOARD

RESERVE FUND

STATEMENT OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 30 JUNE 1998

	Notes	1997/98	1996/97
		\$	\$
Balance at commencement of year -			
Cash at Bank		5,092	16,533
Investments (at cost)		1,060,667	760,467
		<u>1,065,759</u>	
 Receipts for the year were -			
Transfers from the Operating Fund		660,000	620,000
Interest on Investments, etc.		69,149	69,816
		<u>729,149</u>	
 Payments for the year were -			
Payment of Employee Entitlements		2,272	2,632
Purchase of Plant	(5)	93,598	137,168
Excess over Water Allocation		-	261,257
		<u>95,870</u>	
 Leaving a year end balance comprising -			
Cash at Bank		4,594	5,092
Investments (at cost)		1,694,444	1,060,667
		<u>1,699,038</u>	<u>1,065,759</u>
	(7)	<u>\$1,699,038</u>	<u>\$ 1,065,759</u>

SOUTH BURDEKIN WATER BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICY

Basis on Accounting

The financial statements have been prepared on a cash basis, consistent with that which applied in the previous financial year.

The statements are regarded as special purpose financial statements in accordance with the treasurer's determination whereby compliance with certain provisions of the Management Standard issued under the Public Finance Standards issued under the Financial Administration and Audit Act 1977 was exempted.

ADDITIONAL FINANCIAL INFORMATION

Non-current Assets

	1997/1998	1996/1997
	\$	\$
Land and Buildings	130,712	127,271
Plant, Equipment and Motor Vehicles, etc	784,257	752,148
Furniture & Fittings	37,380	41,639
	<u>952,349</u>	<u>921,058</u>

The values of non-current assets listed above represent only those assets still in service at 30 June and are based on the historical cost of the assets. In relation to plant and equipment, only those items with an individual value exceeding \$500 are recorded. No allowance for depreciation has been made.

Rates and Charges Outstanding

	1997/1998	1996/1997
	\$	\$
0-3 months	71,455	78,538
3-6 months	3,575	2,847
Over 6 months	-	1,649
	<u>75,030</u>	<u>83,034</u>

The rates and charges shown above have been reviewed and, in the opinion of the Board, are all collectable.

Bad debts written off for the year totalled \$Nil (1997 \$Nil).

SOUTH BURDEKIN WATER BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(continued)

Loan Indebtedness

The Board's loan indebtedness at 30 June 1988 was \$0 (1997 \$42,534).

Contingent Assets/Liabilities

There were no known contingent assets or liabilities of a significant nature at 30 June 1998.

EXPLANATORY NOTES

	1997/1998	1996/1997
	\$	\$
(1) Interest on Investments		
Interest on Term Deposits, etc.	28,284	43,141
Interest transferred from Capital Works Fund	10,405	11,676
	<u>\$38,689</u>	<u>\$54,817</u>
(2) Other		
Insurance Recovery	3,911	12,075
Diesel Fuel Rebate	-9,952	5,700
Miscellaneous	812	219
	<u>\$-5,229</u>	<u>\$17,994</u>
(3) Administration Expenses		
Board Members' Fees and Expenses	24,908	21,578
Salaries & Wages	255,578	251,976
Board Contributions - Employees'		
Superannuation Scheme	31,061	25,775
Insurances	25,523	25,781
Rates and Charges	5,570	4,804
Audit Fees	1,225	1,225
Office Expenses	14,243	15,387
Legal and Survey	54,340	38,400
Professional Fees	28,932	34,678
Miscellaneous	4,270	6,338
	<u>\$445,650</u>	<u>\$425,942</u>

SOUTH BURDEKIN WATER BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(continued)

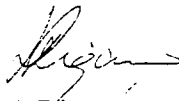
	1997/1998	1996/1997
	\$	\$
(4) Operations and Maintenance		
Electricity	272,916	352,407
Pump, Channel and Pit Maintenance	111,088	113,717
Plant and Vehicle Maintenance	60,174	74,550
	\$444,178	\$540,674
(5) Purchases of office furniture, plant and motor vehicles amounting to \$112,134 from the Operating Fund (18,536) and the Reserve Fund (93,598), are net of trade & written off items at cost value totalling \$80,843.		
(6) Balance - Capital Works Fund		
Upgrade Distribution System	178,343	202,508
Contingencies	20,000	20,000
Unallocated Revenue	4,481	4,481
	\$202,824	\$226,989
(7) Balance - Reserve Fund		
Provisions for:		
Long Service Leave	50,178	50,178
Recreation and Sick Leave	72,165	74,438
Future Upgrade	160,000	160,000
Plant Replacement	170,602	195,050
Water Allocation - Excess of Fixed Charge	1,246,093	586,093
	\$1,699,038	\$1,065,759


**CERTIFICATE OF THE
SOUTH BURDEKIN WATER BOARD**

We have prepared the foregoing annual financial statements pursuant to the provisions of the Financial Administration and Audit Act 1977 and certify that in our opinion -

- (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the foregoing annual financial statements have been drawn up so as to present a true and fair view of the transactions of the Board for the period 1 July 1997 to 30 June 1998, and of the financial position as at 30 June 1998.

22nd September, 1998


LA Rigano
Chairman


W.C. Lewis
Secretary

Audit Certificate

Scope

I have audited the special purpose financial statements comprising of Receipts and Payments for Operating Fund, Capital Works Fund and Reserve Fund, Notes to and forming part of the financial statements and certificates given by the Chairperson and Secretary of the South Burdekin Water Board for the year ended 30 June, 1998.

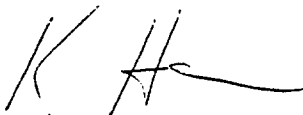
The audit was conducted in accordance with *QAO Auditing Standards*. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presently fairly in accordance with the accounting policies described in the Notes to the financial statements.

The audit opinion expressed in this certificate has been formed on the above basis.

Audit Opinion

I certify that I have received all the information and explanations I have required in respect of the financial statements of the South Burdekin Water Board and, in my opinion -

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view of the transactions of the South Burdekin Water Board for the financial year ended 30 June, 1998 and of the financial position as at the end of that year.



Kris Hansen (Contract Auditor)
Delegate of the Auditor-General

Date: 12 October, 1998

South Burdekin Water Board

28 Ninth Street, PO Box 376, Home Hill. N.Q. 4806

Reference: WCL:BRB:2942

17th December, 1997

Mr S Kinley
Manager Water Infrastructure Administration
Department of Natural Resources
GPO Box 2454
Brisbane Qld 4001

Dear Sir,

Re: Exemptions from Parts of the Financial Management Standard 1997.

I refer to your letter 18th August 1997 and subsequent discussions on this subject. I apologise for such a late formal reply, and as requested, provide this brief submission in support of my Board's position on the matter.

The Board sought and gained, in 1993, certain exemptions under previous standards in consideration of role and operations. The Board still holds the same view that mandatory compliance as such, is not relevant to organisations with small administrative structures who's operations are well established and monitored for their specific function and purpose.

This Board would therefore seek to remain exempt from the equivalent to those parts; 2, 3 and 4 of the former Public Finance Standard referred to in your letter.

This Board was originally constituted under the provisions of the Water Acts 1926 to 1964 by an Order In Council made on the 31st March 1966. Following repeal of that Act, the Board has continued to operate under the provisions of the Water Resources Act 1989. The constitution of the Area and Board, as well as the purpose for which the area is constituted, is clearly defined in the constituting order. It is important to note, the primary function of this Board is; "to replenish the subterranean water supplies of the southern part of the Burdekin Delta".

The Board meets monthly and arranges special meetings or inspections as necessary. The Annual Budget is adopted in April and provides for activities in the projected year ahead, provisions for future planned expenditure and also accommodates seasonal or climatic influences. The budget is funded by levy on sugar cane delivered to Inkerman Sugar Mill in the ratio 2/3 grower, 1/3 miller and includes three funds; Operating, Capital Works and Reserve, which are submitted for ministerial approval each year. The Board operates on a cash accounting system, the rate book lists all rates and charges determined, and includes the names of all ratepayers. The Board's Annual Report

provides statistical information, general activities and audited financial statements which is posted to all ratepayers.

Since its inception, the Board has initiated works progressively within its financial limitations. Initially resumption of lands for channel construction was not acceptable to many landholders. In some cases resumption settlement remains outstanding to date, however in most instances land was made available to the Board by 'peppercorn' agreement, as landholders recognised the benefits of such a scheme. Therefore, to address these concerns, the Board has adopted policy of land easement agreement in lieu of formal resumption process.

This community self help approach has been encouraged by the Board and has fostered a sense of industry/community ownership which generates a common goal approach of mutual interest without the need to exercise assertive action by either party. Please note, the Board was never financial enough to meet compensation demands made for property values at the time of acquisition. These are very important points to consider when suggesting valuation of assets toward commercial practice, which is dealt with later in this letter.

The sense of ownership, achievement and industry viability have been major planks toward empowering the wider community, and the diverse skills based background of members, provides Board Management with a positive, practical approach to problem solving and getting on with tasks at hand. The Board's mission statement or purpose is clearly defined in its constitution and is both understood and accepted by board members, staff, industry and the wider community. Review processes, both formal and informal, identify community needs and expectations, and the Board's 'open door' policy encourages 'without prejudice' interaction.

This general preamble leads us to consider the present proposal of temporary exemption as stated in your letter.

Restructuring of the Public Sector has introduced change toward making performance count, providing responsible leadership and strengthening the culture of continual improvement. The general thrust of change away from traditional bureaucracy is shifting emphasis from process to results.

It is considered fair to say that this Board has been successfully travelling this path for quite some time and I provide some examples:

- Self help, self funded and non profit.
- Does not receive government funding.
- Has a purpose and organisational profile which is effective, but not over resourced.
- Has an impressive history of efficient and effective management.
- Implements decisions based on budget allocations and observes review process.
- Recognises that autonomy is paramount to success - to choose options and long term objectives to benefit its purpose, yet remain within its own financial limitations.

Under proposed review, the Board respectively seeks continuation of granted exemptions, because its operations are considered unique as a statutory authority. The fact that its purpose as a 'water area' is to replenish subterranean water supplies,

distinctly places it in a totally different position to that of a 'Water Supply Area Board' or 'Drainage Area Board', as defined under the Water Resources Act 1989.

To review operations with a view to commercialisation is a review of current financial practice; that of shifting from cash accounting to accrual accounting, and assumes assets of the Board generate profit. This move of course will impact the self-help, non-profit ethic where adverse 'thrust of change' may see more of process and less on results.

It is understood that Accrual Accounting involves the recognition of revenue, expenses, assets, liabilities etc, when an economic transaction occurs irrespective of the timing of any related movement of cash. It is a comprehensive system that recognises assets and liabilities as well as depreciation, as opposed to cash accounting where capital investment is treated as expenditure.

This proposed concept is a fundamental shift away from the non-profit entity which has worked so well. In the first instance, this Board under its constituting charter, does not view its operations toward this proposal of commercialisation. Furthermore, a shift from the current practice of self-funding and providing specific expenditure as considered necessary, impacts the conciliatory method of revenue raising, so well accepted within the current cultural framework.

The 'user charging' concept is recognised and addressed in the Board's Rate Book. All benefited ratepayers contribute revenue toward the Board's purpose; because groundwater knows no boundaries. All other defined services are purposely linked to the Board's constituted revenue process. Without going into detail, the basis of these charges consider equity to all users, and are accepted by those users as fair and reasonable. It would be extremely difficult to introduce a commercial industry rate into a replenishment system, because part of the aquifer replenishment process occurs by water spreading, an activity performed by the user.

Strategic Planning could be seen by the Board as a paper exercise when considering the extremes of seasonal and climatic influences dry tropic areas such as this endure. Put simply, it is a waste of resources, both financial and physical to carry out replenishment process to a fully recharged aquifer after a naturally occurring recharge event, simply to satisfy planning strategies.

The Board would therefore have to ask, "What are the benefits? Is this proposed change going to produce better performance and improvement? Do benefits justify the cost?"

Before addressing these questions, the fundamental decision must be; to determine whether the Board accepts commercialisation driven by mandatory implementation of the Financial Management Standard 1997. That is, whether the Board accepts the costs, both financial and cultural which surely accompanies this change. To focus on change and to be very brief; financial costs are envisaged to provide for extra staff, training and technology. Where permanent staffing resources are not considered relevant, outsourcing professional services for internal audit and regular account of finances would seem to be suggested. Similarly, the establishment of an asset register and its valuation in accordance with prescribed standards will no doubt also require professional

services not currently provided by the Board. It is most important to remember that this Board is constituted as a Water Area with a specific function and purpose, and history provides us with recorded evidence of good financial management and planning in performance of that responsibility.

In the past there has not been a requirement to value assets of the Board. This letter therefore basically comments on the proposal to introduce commercialisation and the need to change from cash to accrual accounting for that purpose, in which case, valuation of assets is a mandatory function. This particular move however, would undoubtedly create a Breach of Trust with those individuals who have contributed land and services without true compensation, in order to progress the scheme from its infancy. It is fair to comment that such an act would destroy the excellent working relationship the Board has established over time with it's ratepayers, and this in turn would no doubt lead to cultural indifference and inevitable distrust by those ratepayers toward the Board. It is not a situation the Board would tolerate!

The Board cautions 'change for the sake of change' and is mindful of what is being achieved and how best industry and the community is being serviced. The Board's services are geographically limited to part of the Burdekin Delta Aquifer, a natural national asset, which for environmental reasons cannot be put into jeopardy by unfounded resource management theories. Protection and performance of this asset and water area has been well and truly established by the performance of this Board.

Consequently, on behalf of the Board, I repeat the previous request for consideration and assistance, to respectfully seek and obtain necessary exemptions of the Financial Management Standard 1997, so that this Board may continue to operate under current arrangements.

I look forward to your advice.

Yours faithfully,
South Burdekin Water Board



W.C. Lewis
Manager

South Burdekin Water Board

28 Ninth Street, Home Hill, N.Q. 4806

Fax No. 077 822039

P.O. Box 376

WCL:BRB:1878

18th May, 1992

Reference:

Industry Commission
P.O. Box 80
Canberra ACT 2616

Subject:

Water Resources and Waste Water Disposal - Release of Draft Report

Introduction:

The invitation to appear at the Public Hearing in Townsville and to participate is appreciated. The following brief submission is presented as an overview for your consideration.

History:

The South Burdekin Water Board was established by Order in Council 31st March 1966, which in part provides:

"To utilize part of the flow of the Burdekin River to replenish the Subterranean Water Supplies of the southern part of the Burdekin Delta and to thereby increase the quantity and improve the quality of the supply available from this source for irrigation, domestic stock and industrial purposes".

This Board as part of the Burdekin Delta Recharge Scheme has been guided by that Charter to operate successfully since its inception. Increased agricultural production, derived by the operational benefits of the Boards activities, is practical evidence of such progressive planning. The financing and management of this Local Board can be proudly shown as a good example of a self-help, community based and managed scheme. History of the Burdekin Delta Recharge Water Boards involvement and support of the Burdekin Falls Dam Scheme is well documented.

Policy:

The Board considers it's autonomy a high priority for success within the parameters of the Water Resources Act 1989.

The service provided to established industry and the declared benefitted area is viewed as parallel on a smaller scale to more recent developments such as the Burdekin River Irrigation Area.

The Board area has, in effect, developed progressively quite apart from and in contrast to those principles adopted within the B.R.I.A. without Government financial input.

Limitations:

The Board has harmoniously dealt with and acted in consultation with those recommendations of the Water Resources Commission in regard to operational and technical matters as provided under the relevant Act.

Issue:

In view of the Industry Commission Draft Report - R2.3 Burdekin River Irrigation Area, we refer to the statement: "that the Commonwealth Governments contribution toward the Burdekin Dam is WRITTEN OFF" and submit the following to expand on water pricing policy in our particular case.

- The Board has negotiated and accepted in good faith, "Water Allocation" based on Water Resources Commission data. Amendment to the Boards Order in Council is presently before Executive Council.
- The Board accepts charges for regulated flow from the Burdekin Falls Dam Storage, however considers that these charges should not reflect Capital Contribution for works downstream of the Dam relative to the Burdekin River Irrigation Area or ancillary schemes such as the Townsville Water Supply, as current methodology would confirm.

Summary:

We assert that the riparian rate per megalitre to the Board as a Bulk User should only reflect operations and maintenance of the Dam Storage release and consider that the Pricing Policy under review should seek that equity retrospective to conception, with due regard to the waiver of capital contribution toward the cost of the Burdekin Falls Dam.

We contend that it is appropriate to include this matter under your review as the outcome of projected revenue from water sales may very well affect the final review analysis.

Yours faithfully,
South Burdekin Water Board


G.B. CAMER - Chairman

WATER RESOURCES AND WASTE WATER DISPOSAL
NOTIFICATION OF INTENTION TO APPEAR AT DRAFT REPORT
HEARINGS

Please complete and return this form immediately to:

Industry Commission
 PO Box 80
 BELCONNEN ACT 2616

or by facsimile to:
 Monique Renaut
 (06) 253 1999

(If you have faxed this form to the Commission please do not send a hardcopy by mail)

Name of Company/Organisation: SOUTH BURDEKIN WATER BOARD

Postal address: P.O. BOX 376

City: HOME HILL State: QLD Postcode: 4806

Street address: 28 NINTH STREET HOME HILL

Name of Principal Contact: MR W.C. LOWIS

Contact's Position: MANAGER - S.B.W.B.

Telephone No: (.077...) 821703 Fax/Telex No: (077)- 822039

Names of other persons likely to appear at the hearings and their positions:

MR G.B. CAMER CHAIRMAN - S.B.W.B.

MR W.C. LOWIS MANAGER - S.B.W.B.

We intend to appear at the public hearing in:

ADELAIDE (Commencing 5 May 1992) []

PERTH (Commencing 6 May 1992) []

CANBERRA (Commencing 12 May 1992) []

MELBOURNE (Commencing 14 May 1992) []

SYDNEY (Commencing 19 May 1992) []

TOWNSVILLE (Commencing 21 May 1992) [x]

SHEPPARTON (Commencing 26 May 1992) []

Comments APPOINTMENT TO APPEAR 4pm - 21 MAY 1992