

## Water Legislation Amendment Bill 2022

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## Submission to the State Development and Regional Industries Committee Water Legislation Amendment Bill 2022

### Overview

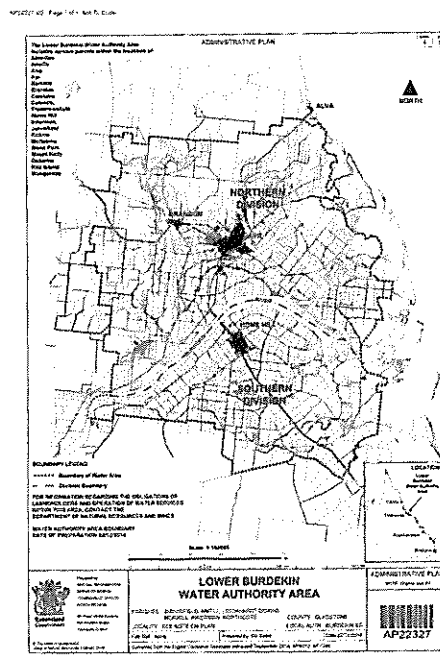
1. This submission is made on behalf of Lower Burdekin Water ("**LBW**").
2. The Water Legislation Amendment Bill 2022 ("**the Bill**") was introduced into the Legislative Assembly on 12 October 2022. The purpose of the Bill is to amend water legislation to ensure our regulatory frameworks remain effective. The changes to the Bill will now effect LBW's operations in respect of Supplemented Water.
3. The State Development and Regional Industries Committee ("**the Committee**") is currently considering the proposed legislative amendments contained in the Bill and have called for submissions addressing any aspect of the Bill, from all interested parties.
4. For the reasons outlined below the Bill will impose a significant cost impost on LBW's operations due to the number of water flow meters ("**Meters**") presently in use by LBW's customers.

### Background

5. The lower Burdekin delta is a major irrigation area situated in the dry tropics on the northeast coast of Queensland south of Townsville. In 1965 and 1966 respectively, the North and South Burdekin Water boards (now LBW) were established to manage an aquifer recharge scheme in the Burdekin delta area following severe drought in the early 1960's resulting in water shortages, reduced groundwater quality, saltwater intrusion into the Burdekin delta aquifer.
6. In the late 1970's and early 1980's, Government and the Boards had discussions regarding the effect of the Burdekin Falls Dam project on the flow of water in the Burdekin River. The Boards were concerned as to the subsequent effect on the flow of water in the Burdekin River following construction of the Dam and the effect of any diminishment in supply on their ability to carry out their primary function namely to:

"... utilise part of the Burdekin River to replenish the subterranean water supplies ... of the Burdekin Delta and to thereby increase the quantity and improve the quality of the supply available from this source for irrigation.<sup>1</sup>

7. The Boards recognised the benefits to their customers in converting their entitlements to take unregulated flow from the Burdekin River to the certainty of regulated flow delivered via the Burdekin Falls Dam. Subsequently, significant funds were invested by the Boards to change their infrastructure to deliver water from regulated flows and to amend their activities to deal with the turbidity in the Burdekin River following construction of the Dam. This process included the installation of Meters for customers taking from LBW's water allocation to enable LBW to recover the costs of its operations.
8. Today, LBW is an amalgamation of the former North and South Burdekin Water Boards. Operating in the Burdekin Basin Catchment area in North Queensland, LBW is an autonomous statutory groundwater resource management authority responsible for the economic and environmentally sustainable management of the groundwater resource within its authority area. LBW is SunWater's largest customer in the Burdekin Haughton Water Supply Scheme.



9. LBW is a category-two water authority for the purposes of the *Water Act 2000* (Qld), holds a distributions operations licence and is a water service provider for the purposes of the *Water Supply (Safety and Reliability) Act 2008* (Qld).

<sup>1</sup> Orders in Council gazetted March 1965 and May 1966

10. LBW's statutory purpose of aquifer replenishment and to service supply needs for agriculture and industry throughout its authority area located in the Burdekin region and forming part of the Burdekin Delta. LBW, through aquifer management, ensures supply for the urban needs of the townships of Brandon, Ayr and Home Hill. To carry out these activities, LBW relies on natural rainfall events and water flow in the Burdekin River supplemented by various water allocation entitlements (WAEs) through which it accesses water from the Burdekin Falls Dam.
11. LBW manages Australia's largest coastal aquifer recharge system to carry out its replenishment activities for the primary purpose of maintaining the saltwater interface between the Burdekin Delta and the coastal fringe. Throughout its authority area of more than 75,000 ha, LBW currently has 320 km of pipelines and constructed channels, six river pump stations, 12 re-lift pump stations, natural lagoons, artificial aquifer re-charge pits, road culverts, inverted siphons, fish ladders, earth bunds and control gates and structures.
12. LBW is SunWater Pty Ltd's ("**SunWater**") largest customer in the Burdekin Houghton Water Supply Scheme. LBW uses its 255,000ML WAEs to access water from the Burdekin River for its statutory purpose of aquifer replenishment and to service the supply needs for the irrigated agriculture and industry in the Burdekin region and the urban needs and communities of the townships of Brandon, Ayr and Home Hill, with a combined population of 13,500.
13. In carrying out its operations LBW services 486 irrigators on 627 farms in the Burdekin area who are primarily cane growers as well as the Burdekin Shire Council. Those irrigators are serviced by in excess of 617 individual Meters fitted to pumps owned by LBW's customers.
14. LBW currently distributes its own water allocations (Supplemented Water) throughout its authority area. Some growers who have access to LBW channels/lagoons may pump surface water under an agreement with LBW. The volume of water taken under these agreements is measured using the Meters solely for the purposes of LBW charging its customers.
15. The Meters belong to LBW. LBW charges the customer on the volume of water pumped through the Meter. LBW bears the maintenance and replacement costs of the Meters, which range in age from one to twenty years.
16. LBW is operated on a not-for-profit basis on behalf of its customers with surplus revenue being reinvested into infrastructure renewal and improvement programs.

17. At least 30 percent of the Meters owned by LBW are not pattern approved and do meet the requirements of the Queensland Interim Water Metering Standard dated 5 September 2022 ("the Standard").
18. LBW's preliminary costing for the replacement of Meters to comply with the Standard is in excess of \$1,000,000. In view of LBW's cost recovery financial model, that cost will need to be borne by the customer. Some individual customers have up to 36 existing Meters and the cost of replacement of that number of Meters for their farming operations would be in excess of \$160,000.
19. The Standard also requires the validation of the Meters at five yearly intervals. LBW would need to employ an additional Full Time Equivalent ("FTE") to ensure it could comply with the Standard and complete the validation process for the Meters at the intervals proposed. The ongoing cost of which again will be borne by the customers.
20. These Meters have not previously been subject to the provisions of the Standard. The Bill proposes to change the existing arrangement for LBW. As set out above the consequences of the changes will be a significant cost impost on both LBW and its customers.
21. LBW urges the Committee to reconsider imposing the Standard on Supplemented Water, which is supplied to customers of a water supply or distribution scheme.
22. If the proposed amendments contained in the Bill are to proceed, given the financial impact upon LBW and its customers, LBW recommends an extended implementation period to allow for the necessary adjustments to existing systems and processes and to advise its customers of the requirements of the Standard, the likely costs involved and how and when those costs will be recovered from the relevant customers.



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10 November 2022