



Central Downs Irrigators Limited (CDIL) is pleased to make the following submission on the Agricultural Competitiveness Green Paper.

CDIL represents Irrigators on the Condamine floodplain of the Darling Downs in southern Queensland. Members use water from the following sources, Regulated supplies from the Upper Condamine Irrigation Project, on stream water harvesting, overland flow water harvesting and regulated groundwater extraction. Access to water from all sources is constrained due to sustainability issues and groundwater users in recent years have seen access cut by up to 50% in an effort to bring usage to sustainable levels.

CDIL notes table 4, List of potential infrastructure projects that could warrant possible Commonwealth involvement, does not mention the significant water resource available in Brisbane and south east Queensland's effluent.

From the mid-to-late 1990s through to around 2006 an organisation called Darling Downs 2000 invested approximately \$2 m of both Federal Government and private funds to investigate the potential to bring approximately 140,000 megalitres per year of Brisbane's grey-water through the Lockyer Valley and onto the Darling Downs.

The project progressed to the stage where Ernst and Young had produced a full business case for the proposal which would be still available for scrutiny.

However, during the drought of the last decade the then Bligh Government in Queensland took the decision to build the Western Corridor Recycled Water Scheme, to supply residential, industrial and agricultural requirements in the Western Corridor of Brisbane with recycled water. The scheme includes collection and delivery pipelines, three water treatment plants, and a pipeline to Wivenhoe Dam (Approx. the first third of the pipeline required by the DDV 2000 proposal).

Total construction cost was approximately \$2.5B, with approximately \$500,000,000 provided by the Federal Govt. Construction was rushed, and therefore was subject to huge cost blow-out.

Despite the massive construction costs, the scheme has never operated near its full potential, never supplied water to residential customers during the drought, and has only ever supplied limited water to some power stations. The Newman Government has declared that it is against its policy to use recycled water for Brisbane's supply, and has publicly canvassed closing the scheme, and potentially even dismantling it to save on maintenance and running costs.



The Opportunity

- Up to 140,000 megalitres per year of grey-water could be made available to industry and agriculture in the Lockyer Valley and Darling Downs, currently being wasted by release into Moreton Bay, causing ongoing environmental harm.
- It would reduce nutrient loads currently being released into the Brisbane River and Moreton Bay.
- A saving in treatment cost currently incurred on Brisbane's waste water.
- Approximately 1/3 of the pipeline has been built.
- Lockyer Valley and Darling Downs has existing agriculture related industry, with excess infrastructure, which could be utilised with the addition of new water. The Darling Downs has enough existing on farm storage to accommodate annual take and pay water delivery.
- Highly reliable water (virtually 100%), has the capacity to attract new high return irrigated agriculture.
- Either through direct use or substitution could help make the Murray-Darling Basin Plan targets. A 2001 CSIRO study indicated significant additional stream flow from the additional irrigated area and occupied space in storages not being available to overland flow harvesting.
- Construction of the Second Range Crossing provides an alternative pipeline path, which could help to significantly reduce pumping costs.
- Intensive industries such as chickens have indicated a desire to move to Darling Downs, but require a high reliability water source.

This project meets the principals for Commonwealth involvement in water infrastructure projects. It provides a benefit to south east Queensland by putting a \$2.5 billion piece of stranded unused infrastructure to productive use, it removes an ongoing environmental issue from discharged effluent and reduces treatment costs without impacting on other water users. It allows the already in place irrigation infrastructure and expertise on the Darling Downs and in the Lockyer Valley to be used to its maxim productive potential. DDV 2000 undertook a demand survey of irrigators on the Darling Downs in 2001 to gauge irrigator support and willingness to commit to a take and pay scenario for the proposal as it was then. Results indicated a demand which was in excess of supply at that time. CDIL believes that the 2004 business case should be updated to reflect current costs and circumstances and then a reassessment of demand could be conducted. The Commonwealth Government should be the lead agency in coordinating the various stakeholders involved in this process so that all beneficiaries share the costs and benefits.



CENTRAL DOWNS IRRIGATORS LIMITED

Taxation issues

CDIL supports the suggestion for 100 per cent write-off in one year of new drought preparedness water infrastructure as discussed in Chapter 8 - Drought, and a further proposal for 150 per cent depreciation over three years for water infrastructure is discussed in the Chapter 9 - Water and Natural Resource Management.

CDIL also highlights the significant negative impact of State stamp duty taxes on various aspects of agricultural enterprises. Family farming businesses undergoing intergenerational succession planning often incur large stamp duty costs. Self-funded risk management in the form of crop insurance also attracts stamp duty in some states. In Queensland the stamp duty on crop and general insurance has been increased to 9% of the premium, including 9% of the GST component of premiums. Taxing businesses for endeavouring to protect themselves from the effects of natural disaster is surely counterproductive.

Thank you for the opportunity to comment on these important issues.

Graham Clapham

Chairman