

**INQUIRY INTO FUTURE WATER SUPPLIES FOR AUSTRALIA'S RURAL
INDUSTRIES AND COMMUNITIES**

SUBMISSION BY BEAUDESERT SHIRE COUNCIL

Introductory Remarks

- Beautesert Shire has an area of 2858 km² and a population of 54,246 mostly concentrated in the urban areas of Beautesert, Canungra, Tamborine Mountain, Kooralbyn, Logan Village and Jimboomba and the rural residential areas in the northern and eastern parts of the Shire.
- Beautesert Shire's rural industries include dairying, irrigated pasture, cattle, horse breeding, poultry, turf farming, mushroom farming, small cropping (including viticulture, avocado and fruit growing), and the secondary industries of gelatine manufacture (only factory in Australia) and animal by-products rendering with possible future expansion into bio-diesel. Each is heavily dependant on an adequate and reliable water supply. There is also the developing industry of rural-based tourism.
- Beautesert Shire operates treated water supplies at Rathdowney, Kooralbyn, Beautesert, Cedar Grove and South Maclean (Jimboomba) on the Maroon Dam/Logan River Water Supply system. It also operates water supplies at Canungra (on Canungra Creek) and Tamborine (bores).
- Beautesert Shire rural industries use water harvested from rainwater, extracted from bores and watercourses and extracted from the regulated sections of the Logan River and its tributaries which are fed by natural run-off and from the Maroon Dam. The Maroon Dam/Logan River system is operated by Sunwater (a wholly owned State Government corporation) under an *interim Resource Operating Licence* issued under the Water Act 2000.



- Urban users and rural users share water supply resources in the Maroon Dam/Logan River system and Canungra Creek and in times of limited supply this creates tensions between those users. At times these tensions are not easily resolvable.
- Beaudesert Shire recycles almost 100% of its treated sewage effluent from its six (6) treatment plants and among these are:
 - (i) at Beaudesert to the Racecourse which operates a horse training facility; and
 - (ii) at Canungra and Logan Village, to irrigated pasture.

Council is looking to new opportunities for reuse.

Summary of Submission

- National Competition Policy and COAG Water Reforms have driven lower usage of water by urban customers.
- The reforms that have driven this lower usage have done so through pricing. Those reforms have similarly brought cost pressures on rural customers through full cost recovery.
- Because Maroon Dam provides for both urban customers (high priority) and rural customers (medium priority) there will be conflict due to pressure for increased urban usage or conflict due to pressure on rural customers to use irrigation water more efficiently and effectively. Urban customers will always be able to “out bid” rural customers for additional “unallocated” water.
- Ultimately, this ability to “out bid” in a free market water environment will decrease the viability of rural industry and therefore the rural communities which depend on and support these industries. This ultimately places pressure on larger urban centres as jobs are lost in rural communities and residents are forced out and then move to the urban centres. Unless action is taken to



change the system, the demise of these communities is inevitable.

- It would appear to be smarter economics to ensure that these rural industries and their rural communities continue to thrive in order to continue to gain the benefit of the investment those communities have made in community infrastructure, so that the critical mass for their continuation is not destroyed and also, so that the jobs these people currently enjoy do not need to be provided in urban areas.
- Destruction of these rural communities will destroy the growth industry of rural-based tourism as the very things that make these areas attractive to tourism, the rural industry/lifestyle, will no longer be there.
- Council considers that these disbenefits of water reform have not been considered and urges your enquiry to focus on them and to forge a strategy to redress them.

Additional Information

- Part of water reform that has not been adequately addressed is rural water usage. Most rural industries now lack the capital to change irrigation practices and/or change the sector to which they belong.
- In rural industry, it is apparent that water is not being used in areas or in ways in which maximum or optimum value is added. Reform to achieve this might be achieved through increasing the water price but because of the lack of capital, this is more likely to bankrupt existing rural producers than to achieve genuine reform. That process is also likely to drive those with farming skills out of the industry.
- A “carrot” approach to reform is more likely to achieve a more efficient and effective use of existing water resources.



- For over a year now, Council has held discussions with the Australian Army with a view to rationalisation of water supplies and sewage treatment in Canungra. The Army currently operates its own systems at the Kokoda Barracks. Each is in need of enhancement. Council operates its own systems which are in excellent condition and in need of expansion. The purpose of the discussions was to enable both parties to leverage off each other's advantages in the use of existing infrastructure and in the use of Council's expertise in operating and maintaining water infrastructure. Council also operates its own NATA registered laboratory which undertakes all the necessary testing for Council's seven (7) water and six (6) sewage treatment plants. Council engaged a consultant and assigned internal staff to prepare information for use by the consultant to the Army and to prepare information relevant to entering into a possible "joint venture" proposal.

Apparently, a decision has been made for the Army to install a new micro-filtration system to overcome specific water source related problems but despite the goodwill and efforts shown by Council and its staff, Council was given no inkling that such a decision was about to be made and therefore was given no opportunity to participate in the finalisation of any rationalisation decision. With no further consultation, it would appear that Council's efforts have been ignored.

At the time of the discussions, it was apparent that the optimum outcome was likely to be that all of Canungra (Army and township) should use the Army water supply with Council's supply as a backup and that all of Canungra (Army and township) should use the Council sewage treatment plant, albeit, an expanded plant. Council even set aside funding in its 2002/03 budget to ensure that a "joint venture" would be possible.

This is one area where it is considered that the Commonwealth could have done better in the resolution of water supply issues for the rural township of Canungra.

13 February, 2003