

QCA irrigation workshop: issues arising

[This note records issues identified and views expressed by stakeholders present at the meeting. The QCA is yet to form any opinion on these issues and views. As appropriate, issues will be addressed in the QCA's draft report.]

Scheme/(s): Macintyre Brook WSS and Upper Condamine WSS

Date: Monday 11 February 2019

Government pricing principles

- Stakeholders raised concerns about the requirement for the fixed (Part A) price to remain constant if it is above the Government's definition of cost reflective, rather than drop immediately to the defined level of cost recovery. There was concern that this, coupled with the requirement for the QCA to consider moving immediately to cost-reflective volumetric costs, would potentially have an adverse impact on Upper Condamine.

Dam safety upgrade costs/ Inspector General Emergency Management (IGEM) review costs

- Stakeholders noted that safety considerations are based on catastrophic scenarios when the dam has only flooded twice in 30 years.
- Stakeholders questioned the benefit irrigators received from SunWater's proposed dam safety upgrade capital expenditure in Upper Condamine. Flooding would be worse without dams or weirs.
- Stakeholders considered that not many properties would be impacted by flooding.

SunWater's proposed costs

- Stakeholders considered SunWater to be inefficient in managing costs and in its project management.
- Stakeholders questioned the increase in non-direct costs.
- Stakeholders noted that fixed costs seemed high, but they did not witness much happening in and around the scheme.
- Stakeholders questioned why they did not have a better annuity balance. Stakeholders questioned the impact of flood repairs on the renewals annuity balance.

Prices

- Given the total Upper Condamine bulk charge (Part A and Part B) for irrigators is above cost recovery already, some stakeholders considered that as many costs as possible should be shifted to the volumetric component.

Other issues

- Stakeholders questioned the impact of the increasing number of smaller enterprises accessing water but not sharing in the costs.
- Some stakeholders questioned whether there was a difference in supplying small and large customers to justify a minimum access charge.