

FIRST ROUND CONSULTATION – ISSUES ARISING

[This note records issues identified, and views expressed, by stakeholders present at the meeting. The Authority is yet to form any opinion on them. As appropriate, issues will be addressed in proposed Issues Papers and in the Authority's reports].

Schemes: Upper Burnett and Boyne River & Tarong

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QCA Contact: Roslyn Wood(07 32220568, roslyn.wood@qca.org.au)

Process Issues

- More advance notice required of forthcoming meetings.
- Problems contacting QCA by telephone.
- For further visits, separate meetings required for each scheme, that is one for Upper Burnett and one for Boyne River and Tarong.
- Concern that Government had already decided prices and that this process is just a formality.
- Time for the review (8 months) is not sufficient to assess and value all SunWater assets or for effective consultation.
- Questions about Ministerial Direction in relation to what constituted a hardship scheme and how this was determined.

Technical Issues

- Relevant costs:
 - clarification sought on costs to be included in prices, in particular, whether the value of water in dams would be included; and
 - concern that compliance costs associated with new environmental requirements will be included.
- SunWater management and administration costs: concern about the level and allocation of these costs, particularly in light of recent reduction in local SunWater staff numbers.
- Capacity to pay: difficult to define and measure. Questions arose in relation to how QCA proposes to tackle the issue.
- Asset valuation: considered difficult given the time constraints, the different customers using the infrastructure and the uncertainties that exist around the current infrastructure (e.g. the inflatable device at the Claude Wharton dam).
- Water harvesting: inter-relationships between irrigation and water harvesting pricing is an issue.
- Water reliability: impact of difference between notional and actual water allocations. It was argued that the current process for deciding actual allocations penalises efficient

water users by imposing relatively larger reductions which remove incentive to pursue more efficient irrigation practices.

- Tariff structure: concern that current tariff structure does not provide sufficient incentive to SunWater to sell available water.
- Cross-subsidies: questions arose about potential for cross-subsidisation of hardship schemes.

Scheme Specific Issues

- Asset valuation: question arose as to whether prices will include Claude Wharton Weir inflatable device given it is uncertain whether this will be reactivated.
- Water allocations: QCA review is being undertaken prior to finalisation of ROP and WAMP which will impact future water allocations and availability.