

SECOND 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 these issues and views. As appropriate, issues will be addressed in the Authority's reports].

Scheme: Barker Barambah WSS

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Scheme Specific Issues

Operating costs

- There is insufficient information to explain why operating costs are increasing while water usage is actually decreasing.
- Sending two staff to read a meter is not efficient.
- Pumping costs are already paid for by irrigators.
- Irrigators are concerned whether the efficiency figures are good enough to determine prices.
- The NSP does not make clear what constitutes the 2018 operating cost spikes.

Renewals

- In the previous review (and before the current price path) the scheme was supposed to be paying its own way.
- Most of the scheme is flooded so assets need to be replaced.

Overheads and indirect costs

- Allocation of overheads and indirect costs to schemes needs explanation.
- A water accounting cost of \$60,000 is regarded as too high.
- Irrigators already bear the costs of water transfer and should not have to pay overheads and indirect costs to recover this expense.
- Centralisation of functions does not provide a good outcome for irrigators.

Tariffs

- Redgate has different tariffs in the current price path.
- If all fixed costs are recovered by SunWater regardless of water usage then this will send perverse signals to irrigators.

- Irrigators prefer continuous accounting so efficiencies are more transparent. Question raised as to whether QCA going to suggest continuous accounting for the next price path?

Free water

- Government should bear the costs of free water since its provision is a Government commitment.

SunWater allocations

- SunWater has licence allocations for 562 ML of high priority and 700 ML of medium priority water but should have purchased them in a free market. SunWater needs to pay for the costs of its own entitlements but the NSP does not seem to show such.

Cost allocations

- For Barker Barambah medium priority water, there should be a cost subsidy for low water periods.
- In the last 5 years, 2 years had low reliability and that must be taken into account.
- Of the irrigator allocations 2,000ML of medium priority were needed to guarantee high priority water. The costs should therefore be shared by both medium priority and high priority water users.