

THIRD 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: Upper Condamine WSS

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Pricing Framework

Tariff Structures

- The fixed charge Part A is considered to be too large. In many instances it will be applied even though Leslie Dam is not involved in providing the water.
- Higher Part A is not right because no water is provided in many years.
- Historically, irrigators have been required to pay for water that has not existed and these new arrangements would increase this problem.

Water Supply

- Although in recent years North Branch Risk A is more reliable than supplemented entitlement, water use figures have not been separated between North Branch and North Branch Risk A.

Renewals Expenditure

- Government should be offsetting the costs of capital expenditure on behalf of the people of Queensland.
- Given that the ARR is quite negative and the scheme is expected to maintain revenues when recommended prices are above cost-reflective prices, irrigators support the ARR balance being adjusted to zero.

SunWater's Consultation with Irrigators

- Irrigators are expected to meet significant costs and yet have very little input regarding the costs incurred by SunWater.
- Irrigators consider getting their input into the timing of preventative maintenance is important.

Cost Allocation

- HUFs is supported as it establishes what irrigators have been saying all along – that is, that HP users are the main beneficiary of the infrastructure and in many years MP users receive no, or little, water.
- The HUFs approach indicates that MP users have been charged too much in the past.

Prices

- Given that this scheme is above cost-reflective revenue and prices are to maintain this in the future, it was suggested that annual CPI increases in price be foregone.
- It is noted that the cost-reflective prices for Condamine and North Branch are the same, and should be different. QCA should seek to identify separate costs for these segments.