

ROUND TWO CONSULTATION – ISSUES ARISING

[This note records issues identified, and views expressed, by stakeholders present at the consultation 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: Cedar Pocket Dam Water Supply Scheme

Date: Wednesday, 13 February 2013

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1. Draft Prices

- Irrigators considered that prices were broadly acceptable, and sought reassurance that Government would accept the Authority's recommended prices.
- The irrigators present at the meeting often use most of their available water (which can be twice their nominal WAE when the dam is spilling). However, other irrigators (less well represented at the meeting) appear from water use records to use less than their nominal WAE. That is, there are active and in-active irrigators in the scheme.
- Irrigators said that all other costs are increasing, so the Part B volumetric charge might as well double too.
- Irrigators questioned what would happen at the commencement of the subsequent regulatory period. Will prices substantially increase towards cost-reflective prices? Irrigators sought reassurance that consultation would occur before prices are reset.
- Irrigators suggested that a longer price path would increase certainly and may lead to increased trading.
- The recommended prices penalise the high using productive users who subsidise low water users.
- The low water users will not have an incentive to sell WAE, if the recommended Part A fixed charge is too low.
- The recommended prices are far better than Seqwater's original submission.

2. Regulatory Framework

- Irrigators were very keen for the ROP to continue to allow irrigators to take twice their WAE when the dam is spilling.

3. Renewals Annuity

- Irrigators questioned what the expenditure on the embankment is for?

4. Operating Expenditure

- Irrigators do not see Seqwater staff visiting Cedar Pocket Dam more than 1-2 times per week. Direct labour costs should be lower.

5. Consultation

- Irrigators need to know the costs of consultation before submitting whether more consultation is required.
- Irrigators found the presentation interesting, but did not feel the need for further consultation.