

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 final report.]

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

Location: Pittsworth

Date: Wednesday 25 September 2019

Pricing framework

- A stakeholder noted Seqwater's proposal to reinvest surpluses from schemes with prices above the cost-reflective level into the annuity balance. Stakeholders noted they would raise this issue with Sunwater.

Apportionment of dam safety upgrade capital expenditure

- Query as to how dam safety costs were allocated to irrigators. Under the QCA's draft recommendation, irrigators would be apportioned 80 per cent of dam safety costs allocated via the headworks utilisation factor (HUF).
- Query as to the drivers for the proposed dam safety upgrades.
- Query as to whether any detailed reports on the upgrades were available for their scheme, and noted that some costs had been revised and were not accurate.
- Query as to why dam safety upgrade costs were included in prices for the North Branch Risk A tariff group. It was noted that water for this tariff group was sourced from flood water and/or the Condamine River and not Leslie Dam.

Costs

- Query as to the risk allocation approach for Inspector-General of Emergency Management (IGEM) review costs and asked whether the QCA had assessed this in its review.
- A stakeholder noted that it was not clear whether IGEM costs related to capital or operating expenditure.
- Clarification was sought on the timelines for approving Sunwater's proposed electricity cost pass through mechanism and whether it would be included in the QCA's recommendations for the final report.
- Query as to the cause of the difference in the opening annuity balance between Sunwater and the QCA.

Draft prices

- Query as to why North Branch prices were around \$30/ML higher than North Branch Risk A prices, and what drove the differences in costs.
- Query as to how Sunwater's proposed access charge would affect their scheme, and if it would be on an opt-in basis.