

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): Dawson Valley WSS

Location: Theodore

Date: Thursday 26 September 2019

Apportionment of dam safety upgrade capital expenditure

- View expressed that dams weren't only constructed for irrigators, but for regional development. Regional communities have been able to grow because of the dams being there.

Costs

- View expressed that costs associated with the Moura Offstream storage (MOSS) should not be recovered from irrigators since it was built solely for high priority industrial customers. This includes dam safety upgrades/inspections associated with this storage facility, and the SCADA upgrade investigated by AECOM as part of their review.
- Concern that the QCA's consultant (AECOM) did not address specific projects in the Dawson Valley WSS highlighted in stakeholder submissions.
- Concern raised about the adequacy of AECOM's assessment of efficiency. View expressed that AECOM should spend time on the ground to understand scheme specific operation.
- View expressed that the electricity cost pass through mechanism is solely related to the MOSS. Electricity is otherwise, not a big expense for the rest of the scheme.
- Inspector-General of Emergency Management (IGEM) review costs:
 - View expressed that IGEM should not apply to Dawson Valley, since the storages are small and little can be done to control them flooding.
 - Query as to why irrigators should pay for IGEM costs if it is as a result of community expectations.
- Concern raised with the big increases in Dawson Valley renewals annuity forecasts, even though historically Dawson Valley's price has been above lower bound. Questions were raised as to why Sunwater was not reinvesting the surplus revenue over the previous price path period back into the scheme.

Draft prices

- Concern raised regarding the appropriateness of using the headworks utilisation factor (HUF) to allocate costs associated with the MOSS. Stakeholders consider that Dawson Valley is a unique case where the purpose of the MOSS was to supply industrial customers only.
- Concern raised about Sunwater's proposed access charge having distributional impacts, particularly for customers with low volume of water access entitlements.
- Concern raised about a decision being made on the access charge now impacting future pricing.
- Substantial concerns were raised with the implementation of an access charge in Callide Valley.