

Irrigation Price Review Submission

Appendix A

Customer engagement

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Table of Contents

1.	Introduction.....	1
2.	Our engagement strategy.....	2
2.1	Engagement channels and methods	2
2.2	Our engagement activities	3
2.3	Attendance rates	4
3.	Listening to our customers.....	6
3.1	Phase 1 consultation	6
3.2	Phase 2 consultation	8
3.3	Phase 3 consultation	9
3.4	Referral notice	10
4.	Learnings from customer engagement	11
	Attachment A Detailed responses to customer feedback	A-1

1. Introduction

At SunWater we know that developing authentic partnerships and open dialogue with our customers and communities is vital to securing a sustainable future for our customers and SunWater. These relationships will allow us to identify their current and future needs, and help us deliver improved services and customer satisfaction.

Since the 2012 Irrigation Price Review, SunWater has embarked on a journey to improve our engagement with customers and become more customer-centric. This journey began with improving our consultation with customers on our costs and future non-routine projects via the annual Network Service Plans.

More recently we have developed a customer-centric strategy that is based on putting the customer first and at the heart of everything we do and we are working towards embedding this practice across all aspects of our business. Elements of this strategy have informed our engagement process for this irrigation price review submission and the 2019 Network Service Plans. In particular, we have focused on transparently reporting on our costs, removing complexity in pricing that adds no value to our customers and taking on board feedback from customers.

In this appendix, we:

- summarise our customer engagement strategy, including methods, frequency, timeframes and attendance rates
- outline the issues raised by customers and our response to the issues raised
- explain the learnings from our customer engagement.

We would like to acknowledge the time and resources invested by stakeholders while participating in the development of our irrigation price review submission and 2019 Network Service Plans. Feedback received has been instrumental in informing our views. We look forward to continuing to work with stakeholders throughout the review process and beyond.

2. Our engagement strategy

At SunWater we are committed to delivering value through water solutions for today and tomorrow, and recognise that having ‘Supportive stakeholders’ will help us achieve this goal.

The guiding principles for customer engagement at SunWater are:

- transparency and openness with our customers
- delivering on our commitments — we do what we say we are going to do
- timely and meaningful interactions
- achieving measurable impact — we see a positive impact on customer satisfaction and service delivery and become even more efficient
- we maintain a focus on cost efficiency.

In the context of the irrigation price review process, we have enhanced customer relationships by working with Irrigator Advisory Committees and the Irrigation Customer Reference Group (ICRG) to deliver on our commitment to have efficient and transparent costs.

2.1 Engagement channels and methods

SunWater uses a variety of channels to engage with customers and other stakeholders, as outlined in Table 2.1. Our primary engagement channel for the irrigation price review process is via Irrigator Advisory Committees.

Our engagement for this submission has largely been via face-to-face meetings or teleconferences. We considered other consultation methods, such as webinars, but customers have advised that these methods are of limited interest to them and they prefer face-to-face interactions. Having said this, we may continue to explore alternative options in the future as pricing becomes simpler and more transparent.

Table 2.1: Key customer engagement channels

Engagement channel	Description
Irrigator Advisory Committees	<p>Irrigator Advisory Committees consist of a group of SunWater customers either within an individual scheme or a group of schemes that are representative of the broader irrigation customer base for the area.</p> <p>The purpose of the Irrigator Advisory Committees is:</p> <ul style="list-style-type: none"> • to provide advice and recommendations to SunWater regarding scheme operational issues • to represent the interests of the broader irrigator base in respect of SunWater’s ongoing operation of the water supply scheme • to provide a mechanism by which SunWater and customers raise and discuss matters of mutual interest in relation to the management of the physical aspects of the scheme and customer relationship issues. <p>SunWater and the Irrigator Advisory Committees also work collaboratively to identify and introduce new approaches and improvements to water management.</p>

Engagement channel	Description
Irrigation Customer Reference Group	<p>The ICRG was first established in late 2017 as part of our customer-centric strategy and is still in its formative stages. It consists of a cross-section of irrigation customers and aims to provide a mechanism for SunWater to work with customers openly and transparently to build long-term value for both our customers and SunWater, by assisting to identify current and future needs to improve services and customer satisfaction. This includes, but is not limited to:</p> <ul style="list-style-type: none"> • the asset management framework • improved Network Service Plans and Annual Performance Reports • customer education and awareness of scheme rules, costs and operations including water metering standards and other improvements.
Peak industry bodies	<p>SunWater works closely with peak industry groups, including the Queensland Farmers' Federation (QFF), on rural water pricing matters and specific policy issues. Engaging with peak industry groups enables the strategic monitoring of water issues and provides a further avenue for customers to raise issues in relation to scheme operations and management.</p>
Customer surveys	<p>Customer engagement surveys are sent to customers on a periodic basis to provide feedback on SunWater's service and customer interaction. The results are then used to identify key customer objectives, including for this irrigation price review.</p>
Website	<p>SunWater uses our website to provide general information to our customers and engage with them on specific matters, such as draft Network Service Plans.</p>
Email and SMS notifications	<p>SunWater routinely uses email and SMS notifications for general communications with our customers. We have also used these channels to seek feedback on our draft Network Service Plans and to notify irrigation customers about the commencement of the irrigation price review process for the 2021–24 period.</p>

2.2 Our engagement activities

Our engagement with customers for this review began with a customer survey in August 2017. The results from this survey provided valuable insights for SunWater about what customers want and helped guide our initial objectives for the irrigation price review submission around cost efficiency, transparency, and preferences for the format and content of the Network Service Plans.

We then used a two-step consultation process to further refine our objectives and positions, engaging with:

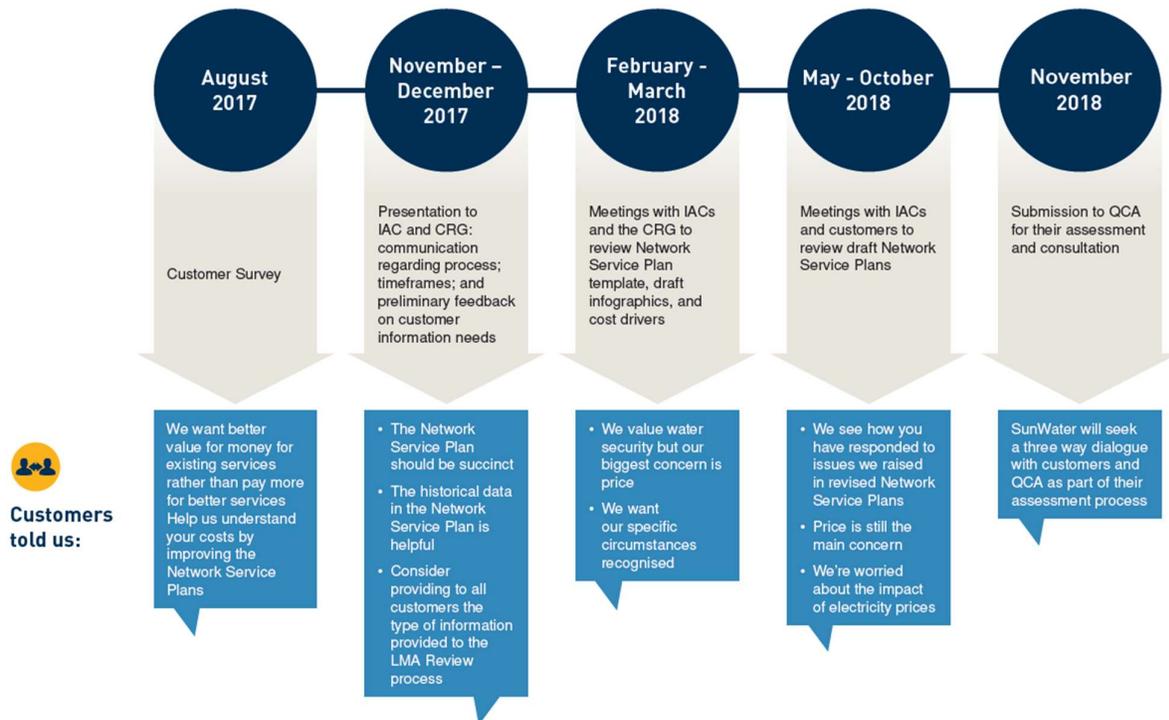
1. the ICRG on high level strategic input relevant to all customers
2. Irrigator Advisory Committees on general and scheme-specific matters, including the 2019 Network Service Plans and proposed non-routine projects.

This consultation occurred across three phases from late 2017 to October 2018 and is discussed in detail in Chapter 3.

Other engagement activities included:

- consulting with QFF and CANEGROWERS
- providing irrigation customers with the opportunity to comment on our draft 2019 Network Service Plans, which were published on our website in June 2018
- one-on-one sessions with interested customers on our new, simplified regulatory model.

Figure 2.1: Engagement activities and what customers want



1. CRG – Customer Reference Group (also referred to as ICRG).

2.3 Attendance rates

Table 2.2 lists the attendance rates for the second and third phases of consultation with the ICRG and Irrigator Advisory Committees, as well as a meeting with QFF in June 2018. Attendance rates were not captured for the first phase of consultation, which involved an information presentation being circulated to customers.

The notification to irrigation customers seeking feedback on the 2019 Draft Network Service Plans was sent to 3892 email addresses and 3381 mobile phones via SMS.¹ All irrigation customers were also notified about the commencement of the irrigation price review process via email, SMS and/or letter.

¹ Customers may have received the message more than once if multiple mobile numbers were listed on their account.

Table 2.2: Attendance rates

Stakeholder	Phase 2	Phase 3
Cunnamulla	3	3
Upper Condamine	5	5
Macintyre Brook	5	5
Callide Valley	5	7
Chinchilla Weir	2	3
Dawson Valley	5	0
Barker Barambah	5	5
Boyne River & Tarong	14	7
Upper Burnett	N/A ¹	4
Three Moon Creek	N/A ²	4
Burdekin Haughton	3	6
Proserpine River	7	7
Pioneer River	3	1
Eton	N/A ³	1
Lower Mary River	3	5
Bundaberg	11	5
Mareeba-Dimbulah	6	5
Lower Fitzroy	3	3
Nogoa Mackenzie	8	8
St George	8	3
ICRG	8	4
QFF	3	3
Total	107	94

1. Included in Boyne River & Tarong attendance rates, as the meeting was jointly held.
2. The Three Moon Creek Irrigator Advisory Committee was established after the first phase of consultation.
3. Included in Pioneer River attendance rates, as the meeting was jointly held.

3. Listening to our customers

This chapter outlines the various phases of consultation we went through in developing this submission and our 2019 Network Service Plans, and sets out the matters we discussed with customers and our responses to the feedback received at a high level. Attachment A contains a detailed table listing the feedback we received and how we have responded to this feedback.

3.1 Phase 1 consultation

3.1.1 Customer survey

A customer survey was sent to customers in August 2017 to provide feedback on SunWater’s service and customer interaction. The response rate was 5.5 per cent.

Key outcomes from the survey were:

- Customers **do not want to pay more** for better services.
- Customers would like **better value for money** from SunWater.
- Customers want SunWater to provide **more cost-effective services**.
- Network Service Plans need to be improved to:
 - help customers **understand the costs** involved in delivering water better
 - provide greater **cost transparency**
 - provide **more information** on major **renewal projects**.

3.1.2 ICRG and Irrigator Advisory Committees

Consultation with the ICRG and Irrigator Advisory Committees took place during November to December 2017 and focused on communicating information about the irrigation price review process and associated timelines.

SunWater also sought preliminary feedback on customer information and engagement needs. We asked the ICRG and the Committees:

- What information do customers want to see in the Network Service Plans?
- How do customers want to engage on the longer-term planning horizon for the schemes, ie beyond five years?
- What are the key concepts that customers would like to understand more clearly so we can develop infographics to help them participate constructively in the review process, eg how prices are set, how the annuity works, and how costs are allocated?

3.1.3 Key themes

Common messages about what customers want emerged from our first phase of consultation. We expect the themes around efficiency and simplicity and transparency to be key issues for the QCA as it undertakes its review process. We have outlined what we have done in response to this feedback in Table 3.1.

Table 3.1: Phase 1 consultation outcomes

Key theme	Description	Our response
Efficiency	Customers wanted more cost-effective services and better value for money.	<p>To respond to customer concerns about being cost-effective, we have targeted some key areas to improve our efficiency. These initiatives included:</p> <ul style="list-style-type: none"> • a corporate restructure aimed at making SunWater more regionally focused, improving customer service and making our operations more efficient • reviewing our insurance coverage, with modest reductions included in 2018/19 base year costs. We have also been considering self-insurance for our distribution system assets in the future; however, we believe consultation with customers and other stakeholders is required before new arrangements can come into effect. • developing an energy strategy and action plan to manage electricity costs in the most efficient way. <p>We have also applied productivity targets of 0.2% to routine expenditure in each year from 2019/20 and a one-off reduction to routine non-direct expenditure in 2019/20.</p>
Simplicity and transparency	<p>Many customers are finding it hard to meaningfully comment on prices and costs because they do not understand how they are derived. This makes customers concerned that they are not getting value for money.</p>	<p>SunWater recognises that we need to explain things better, but we also need to make things simpler. We began an early conversation with our customers and the QCA on this and looked at ways to add value for our customers. For example, we:</p> <ul style="list-style-type: none"> • created a new regulatory model to de-mystify pricing. Some Irrigator Advisory Committee members have reviewed this model and provided feedback to us. We have also made this model publicly available as part of this submission. • simplified how prices and costs per megalitre are derived. Chapter 6 of our main submission provides further details.
Improve Network Service Plans	<p>Keep improving the Network Service Plans:</p> <ul style="list-style-type: none"> • more information on corporate overheads • shorter Network Service Plans • no pictures without purpose. <p>But do not change everything — customers liked the consistency, particularly the historical data and how costs are broken up.</p>	<p>SunWater took on board feedback from customers on the Network Service Plans and developed a draft template for review by customers during the second phase of consultation (see Section 3.2.1).</p>
Asset management and non-routine projects	Customers wanted more consultation on upcoming non-routine projects.	<p>To respond to customers wanting to know more information about our asset management framework and what it means for future projects, we invited members of our Asset Planning team to the Phase 2 meetings with Irrigator Advisory Committees (see Section 3.2.3).</p>

3.2 Phase 2 consultation

Our second phase of consultation with the ICRG and Irrigator Advisory Committees occurred during February to March 2018 and focused on the 2019 Network Service Plan template, draft infographics and cost drivers. We also:

- confirmed our interpretation of the customer objectives for the review were accurate
- explained our objectives and approach for the submission and review process
- sought customers' views on alternative methods of communication as SunWater developed our submission, such as webinars.

Price continued to be a major concern for most customers; however, water security was also identified as a big issue in some schemes. Customers highlighted that higher electricity costs due to obsolete and legacy regulated retail electricity tariffs ending in 2020 will have a far greater impact on their input costs than water prices.

Customers also raised several scheme-specific issues which we have outlined in Attachment A, together with how we have addressed this feedback.

3.2.1 2019 Network Service Plan template

SunWater developed a new template with our customers' feedback in mind. We focused on services, costs and projects, and made it shorter, clearer and less technical. We sought feedback on whether the changes we proposed to the 2019 Network Service Plans helped improve the transparency of costs and whether they contained the right amount of information to help customers better participate in the irrigation price review process.

Customers were generally happy with the changes we proposed, including providing extra detail on corporate overheads, removing any duplication, removing pictures, and making the document more concise. They also provided additional feedback and responses to some questions we had asked through the template. Customers:

- liked the infographics but suggested we retain the existing words too
- were generally not interested in benchmarking against other service contracts
- wanted to see information on the cost impact of including the Dam Improvement Program (DIP)
- sought clarification around the impact of outstanding insurance claims for flood damage
- were interested in understanding the impact of a 30-year annuity (compared to the existing 20-year annuity). We demonstrated the impacts of the change in annuity period length to Irrigator Advisory Committees during the Phase 3 meetings.

This feedback, where relevant, was incorporated in the draft 2019 Network Service Plans that were released for consultation in June 2018 (see below).

3.2.2 Draft infographics

SunWater developed infographics on key concepts that customers wanted to understand better, including:

- how costs are allocated to each service contract
- the process for setting irrigation prices
- how regulated revenue requirements become costs per megalitre
- how non-routine expenditure becomes part of the annuity
- the Headworks Utilisation Factor (HUF).

We have used these infographics as a tool for engaging with customers and throughout our submission.

3.2.3 Asset management

SunWater provided an overview of our asset management framework and a first cut of our proposed non-routine projects. Customers provided feedback on the necessity of some projects and the associated costs. We took this on board and, where possible, revised our program of works for the draft Network Service Plans.

We also sought feedback on proposed improvements to options analyses to make them more targeted and reduce costs (see Chapter 4 of our main submission). Customers were generally supportive of this new approach, including the Lower Mary River Irrigator Advisory Committee.

3.3 Phase 3 consultation

3.3.1 Irrigator Advisory Committees

The consultation we undertook with Irrigator Advisory Committees in June 2018 focused on the draft 2019 Network Service Plans which we prepared for each of our bulk water and distribution schemes (except Maranoa River). We provided an overview of the plans and changes we made in response to feedback, which included:

- keeping the document short
- splitting out non-direct costs
- including cost information on our DIP, where applicable
- five years of expenditure forecasts
- cost/price reflectivity.

We also highlighted the things that may change in the final 2019 Network Service Plans (for example, step changes down in corporate costs and updated water access entitlement data), and the submission (for example, updating for 2017/18 actual expenditure and more recent market information for the Weighted Average Cost of Capital).

Several Irrigator Advisory Committees were interested in seeing further detail on the currently planned non-routine projects to the end of the proposed 30-year annuity period and an explanation of the costs of certain projects like comprehensive risk assessments. We provided a full list of the non-routine projects to these Committees (excluding costs), as well as an overview of what is involved in delivering the projects they raised concerns about.

Other feedback received from the Committees on the draft 2019 Network Service Plans is summarised in Attachment A, along with the changes we made in response.

The sessions also covered:

- responses to queries from the Phase 2 consultation process
- an overview of SunWater's performance since the 2012 review
- key assumptions for the base-step-trend model and draft 2019 Network Service Plans, including our intention to change as little as possible from 2012 and use methodologies from the recent Seqwater decision for bulk water prices to facilitate a low-cost price review
- scheme-specific slides detailing, for example, notional cost allocations and indicative forecast lower bound cost-reflective prices
- our proposed treatment of distribution loss allocations. The Burdekin River Irrigation Area Board (BRIA) supported our proposal to allocate all distribution loss allocations to customers.
- whether electricity costs should be based on forecasts or be subject to a true-up mechanism
- whether a 20-year or 30-year annuity was appropriate, including showing the impacts on their schemes using our regulatory model. The Proserpine River Irrigator Advisory Committee and Mareeba-Dimbulah Irrigation Area Council (MDIAC) formally endorsed the move to a 30-year annuity.

- potential changes to the calculation of average water use.

3.3.2 QFF

We met with QFF throughout 2018 and discussed a range of matters including: what we had heard so far from customers and what we were doing about it; assumptions for the final 2019 Network Service Plans; key positions for the upcoming submission; and the draft regulatory model.

QFF was interested in a true-up mechanism to reflect any difference between forecast and out-turn electricity costs. We explored this further and developed a true-up mechanism for discussion with QFF in September 2018. Following discussions, we agreed to undertake modelling of various options to account for scheme-specific circumstances. In the meantime, our submission includes our originally proposed mechanism.

They also suggested that SunWater consider introducing a minimum access charge for all service contract areas to cover the fixed administration costs associated with maintaining each customer account and ensure there is no cross subsidisation between customers who hold a small number of water allocations and those who hold larger amounts. SunWater believes there may be some merit in this proposal and we are currently investigating this further in conjunction with QFF. We will keep the QCA informed of the outcome of this investigation.

Finally, QFF were keen for our regulatory model to be made publicly available (which we have done) and agreed with our approach to simplifying pricing where possible, without removing value for customers.

3.4 Referral notice

SunWater offered to meet with Irrigator Advisory Committees to explain the Queensland Government's referral notice. However, due to the timing of the release of the referral notice, this was not possible before we lodged our submission to the QCA in early November 2018.

4. Learnings from customer engagement

SunWater's primary channel for engagement on our 2019 Network Service Plans and our irrigation price review submission has been via Irrigator Advisory Committees. The views expressed by Committee members were generally consistent with the feedback we received through other engagement channels, such as the customer survey, and are likely to be representative of the broader irrigation customer base.

We have made efforts to reach a broader range of irrigation customers, via publishing our draft 2019 Network Service Plans on our website and inviting feedback via email and SMS notifications. Nevertheless, we did not receive any feedback in response.

Where possible, SunWater has sought to incorporate our stakeholders' views and reflect these accurately in the submission. Notwithstanding, we recognise the QCA's review process will provide customers with another avenue to provide further feedback. We are also committed to having an ongoing dialogue with our stakeholders throughout the review process.

Many of our learnings from our engagement activities relate to improving the way information is presented to, and accessed by, customers. Customers expressed a desire for a better SunWater website and for pictures of recently completed non-routine projects to be included in customer newsletters to enhance customer experience and understanding of SunWater's activities. SunWater is already considering ways of improving the navigation and content of our website and hopes to finalise these enhancements, in consultation with customers, by the end of 2018. We are also looking to improve customer communications about operational and major projects.

Several customer representatives were interested in explanations of the variances in our forecast non-routine program; particularly for projects that were planned for the upcoming financial year and were not undertaken. In response, we plan to report on variations to our non-routine program of works for the most recently completed financial year in future Annual Performance Reports. We also propose to provide copies and/or summaries of inspection reports that are used to inform changes to the program as part of our consultation on future Network Service Plans.

We offered all Irrigator Advisory Committee members the opportunity to review our draft regulatory model to test whether it improved the transparency around how costs translate into costs per megalitre. Several Committee members took up this opportunity and we conducted individual sessions with those customers via Skype, receiving positive feedback on the model.

Finally, customers suggested that our customer survey should include more space for respondents to provide detailed feedback. We will take this onboard for future surveys.

Attachment A

Detailed responses to customer feedback

A.1 Detailed responses to customer feedback

SunWater received a range of feedback from customer representatives during our various phases of consultation. The below table includes feedback received on matters relevant to the 2019 Network Service Plans and the irrigation price review process only.

Table A.1: How we have addressed customer feedback

Category	Originator	Issues raised	Our response
Affordability	Boyne River & Tarong & Callide Valley	They value the Queensland Government's policy on lower bound pricing and price caps (subsidies).	Noted and communicated back to the Queensland Government.
	Bundaberg & Lower Mary River	Interested in working with SunWater to develop an energy efficiency program to explore options for reducing electricity costs. For example, the Bundaberg Irrigator Advisory Committee suggested using diesel during peak periods.	<p>Noted. SunWater is preparing an energy strategy and action plan. The action plan will explore initiatives such as demand management, tariff optimisation, strategic procurement options, installation of renewable generation sources and embedding an energy savings culture. SunWater intends to consult with customers on scheme-specific initiatives.</p> <p>SunWater is also working with peak irrigation bodies in Bundaberg to develop a jointly funded business case for a solar facility that could meet most of the scheme's electricity needs. The concept involves the construction and ownership of a solar facility by the venture. The venture would then sign a Power Purchase Agreement with SunWater which would take power from the facility for use in the scheme. Existing water tariffs would be used to pay the capital cost of the facility. When the facility has been fully paid off, SunWater's electricity costs will be substantially reduced and a corresponding reduction to lower bound cost-reflective irrigation prices would occur. We are currently in the process of appointing a project manager.</p>
	Callide Valley, Macintyre Brook, Pioneer Valley Water Board & St George	<p>Affordability is their biggest concern. Issues raised included:</p> <ul style="list-style-type: none"> The price of water needs to allow a return for irrigators. If irrigators cannot make a profit there is no point irrigating. 	Noted. SunWater has passed this feedback on to the Queensland Government and the QCA.

Category	Originator	Issues raised	Our response
		<ul style="list-style-type: none"> The review process should focus on what irrigation customers can afford to pay, then adjust all costs to suit. Increases in retail electricity prices and Part B and D charges mean that water usage continues to fall. The St George scheme is unable to absorb the overheads being allocated to it. 	
	Pioneer Valley Water Board	Considered the Weighted Average Cost of Capital is too high, with the interest/financing costs for the scheme almost higher than the annuity contribution.	SunWater raised the methodology concerns with the Queensland Government to see if there is any intention to update via the referral notice and were advised no changes would be made.
	Upper Burnett	Indicated that pricing should reflect the value of irrigation to the economy.	Noted. SunWater passed this feedback on to the Queensland Government who noted various initiatives and subsidies provided to a number of sectors attempts to recognise their value to the economy.
Tariff structures	BRIA	Noted that the Giru Benefited Area (GBA) currently receives a subsidy, but as prices reach lower bound costs, this subsidy will come from fellow irrigators. They suggested nodal pricing for the GBA.	<p>SunWater understands that several service contract areas have non-standard tariff components and special pricing arrangements which the QCA carried forward in the 2012 review. SunWater's view is that specific irrigation pricing arrangements are a matter for the QCA and the Queensland Government.</p> <p>To help inform future pricing arrangements, we commissioned an independent report on the hydrological circumstances of the GBA and have provided this report to the QCA as part of this submission (see Appendix K).</p> <p>SunWater also commissioned a separate report by Geoff Kavanagh to assist in understanding the requirements of meeting the water demands from the Giru Benefited Area (GBA) and all supplemented irrigation users within Haughton Zone A area.²</p>

² This section has been updated to correct an error that was inadvertently included in the original submission.

Category	Originator	Issues raised	Our response
	Chinchilla Weir, Cunnamulla, Dawson Valley & Upper Burnett/Boyne River & Tarong	Indicated that high fixed charges are a problem, especially during times of drought. Some suggested a rebalancing of the fixed and variable charges.	Noted. SunWater raised this issue with the Queensland Government but it is unlikely to be permitted under the referral notice.
	QFF	The declining block structure in the Mareeba-Dimbulah distribution system is not reflective of underlying costs. ³	SunWater understands that several service contract areas have non-standard tariff components and special pricing arrangements which the QCA carried forward in the 2012 review. SunWater's view is that specific irrigation pricing arrangements are a matter for the QCA and the Queensland Government.
	MDIAC	Queried why the Part C charges for the Relift tariff group are different to other Part C charges.	<p>The current price differentials in the Part C charges recommended by the QCA for the Mareeba-Dimbulah distribution system are due to the following factors:</p> <ul style="list-style-type: none"> • The QCA adopted a declining block tariff structure for the Part C charges for the 'Outside a re-lift' tariff groups. • The QCA changed the tariff structure of the Relift tariff group in its 2012 decision — lowering the fixed charge and increasing the usage charge. It indicated that this structure provides opportunities for users to reduce overall costs through efficient water use. <p>Further detail is available in the QCA's Volume 2 Final Report for the Mareeba-Dimbulah distribution system: http://www.qca.org.au/getattachment/3224c838-49fc-4041-b81e-050bafdc251d/SunWater-Irrigation-Price-Review-2012-17-Volu-(28).aspx.</p>
	MDIAC	Would like to retain the existing access charge in the next price path period.	Noted. Our submission and regulatory model reflects this preference.

³ This section has been updated to correct an error that was inadvertently included in the original submission.

Category	Originator	Issues raised	Our response
Improving the Network Service Plans	Barker Barambah	Interested in including information in the Network Service Plan about how insurance costs are allocated to service contracts.	SunWater revised the Barker Barambah Network Service Plan to include a statement that insurance costs are primarily allocated based on asset values.
	Boyne River & Tarong	The Network Service Plans should recognise that open insurance claims will affect the annuity balance.	Non-routine expenditure is greater than QCA recommended forecasts in some service contract areas due to flood events. The 2019 Network Service Plans highlight that insurance proceeds have not yet been received for certain flood events, which may affect the annuity balances going forward.
	Chinchilla Weir	Interested in benchmarking the scheme against other schemes.	Most Irrigator Advisory Committees were not supportive of scheme benchmarking in the Network Service Plans. However, the Network Service Plans for all schemes contain a consistent set of information which can be used to compare costs and volumes etc. These plans are available on SunWater's website at: http://www.sunwater.com.au/schemes/nsp/annual-nsp-and-performance-reports . A comparator of the Chinchilla Weir Bulk Water Service Contract is the Cunnamulla Bulk Water Service Contract.
	QFF	Requested information to be added to the Network Service Plans on HUF revisions and the notional high priority costs per megalitre.	SunWater updated the footnotes in the "Irrigation charges for 2018/19" table of the Network Service Plans to address this feedback.
	ICRG	The ICRG provided a range of feedback on the draft Network Service Plan templates. They asked SunWater to: <ul style="list-style-type: none"> explain corporate overheads — disaggregation of forecast costs and how costs are allocated. This concern was also raised by the Chinchilla Weir Irrigator Advisory Committee. explain the link between asset management and the Network Service Plans include more scheme-specific information — for example: a scheme map; key assets with age/condition; outlook for water usage; scheme 	<p><u>Non-direct costs</u></p> <p>The 2019 Network Service Plans include a more detailed explanation of our corporate support costs, local area support costs and indirect costs, as well as each service contract's forecast share of these costs in 2018/19.</p> <p>Several customer representatives, including the Proserpine River Irrigator Advisory Committee, provided positive feedback on these changes. Presentations providing further details on how our non-direct costs are derived and allocated were also well received by Irrigator Advisory Committees.</p> <p>While some customers have concerns about the level of these costs and a preference for costs to be incurred in local regions,</p>

Category	Originator	Issues raised	Our response
		<p>industry environment; value of agricultural production supported by the water infrastructure; and crop types and trends etc.</p> <ul style="list-style-type: none"> consider the size of the document, as many regional customers experience bandwidth issues include current prices and costs per megalitre separate out costs associated with the Inspector-General Emergency Management (IGEM) Review recommendations (if applicable). 	<p>there is now a greater understanding of how these costs are derived and applied.</p> <p><u>Asset management</u></p> <p>Network Service Plans are an important part of our asset management framework, feeding into our Strategic Asset Management Plan and corporate strategic plan. We created an infographic which shows this link and included it in our 2019 Network Service Plans.</p> <p><u>Scheme-specific information</u></p> <p>SunWater sees value in publishing this sort of information (subject to availability), but we do not believe the Network Service Plan is the right vehicle given customers' preferences to keep the plans relatively brief. Depending on time/resources, SunWater will consider including this information on our website.</p> <p><u>Document size</u></p> <p>SunWater has tried to limit the size of the 2019 Network Service Plans by not including high-resolution pictures.</p> <p><u>Pricing</u></p> <p>We included current 2018/19 prices and costs per megalitre in the 2019 Network Service Plans.</p> <p><u>IGEM</u></p> <p>We included forecast 2018/19 IGEM costs for impacted service contract areas in the 2019 Network Service Plans.</p>
	ICRG & Upper Burnett/Boyne River & Tarong	The Network Service Plans should include a list of assets that drive costs in the scheme.	SunWater included a list of key assets in each of the 2019 Network Service Plans.
	ICRG & Pioneer Valley Water Board	The Network Service Plans should include costs per megalitre with and without DIP.	Where applicable, the Addendums to the 2019 Network Service Plans include forecast efficient DIP expenditure, the DIP contribution (based on an 'as incurred' approach) and the DIP contribution as a percentage of total costs.

Category	Originator	Issues raised	Our response
	Nogoa Mackenzie (Emerald)	Queried why the 2018/19 drainage revenues in the draft 2019 Network Service Plan were projected to decrease, compared to the 2017/18 budget.	SunWater made an error in the calculation of the 2018/19 drainage services rate. We corrected this error in the final 2019 Network Service Plan for the Nogoa Mackenzie (Emerald) Distribution Service Contract.
	Pioneer Valley Water Board	Asked SunWater to consider noting in the Pioneer River Network Service Plan the Queensland Government's commitment to review the resource operations plan if usage rises above 50%.	SunWater was unable to locate information to substantiate this agreement. We therefore did not include this information in the Pioneer River Network Service Plan.
	Various customer representatives	<p>Customer representatives suggested a range of minor improvements to the 2019 Network Service Plans, including, but not limited to:</p> <ul style="list-style-type: none"> correcting or amending some non-routine project titles to provide clarity clarifying the DIP contribution is based on an 'as incurred' approach for transparency of cost impacts to customers presenting all water access entitlements in the Burdekin Haughton water supply scheme in the bulk water Network Service Plan (rather than bulk water only) noting that the announced allocations data for Boyne River & Tarong does not reflect the long periods of drought experienced by the service contract area in the past adding an explanation that higher preventative maintenance costs in the Eton distribution system are related to repairs on ageing air valves and pipeline leaks. 	SunWater took on board the feedback received and made corresponding changes to the final 2019 Network Service Plans.
Cost allocation	BRIA	Need to ensure there is no double-dipping in the recovery of costs between bulk water and distribution.	Direct costs are directly attributed to the service contract and the cost allocation methodology allocates costs according to direct labour to ensure there is no double-dipping.

Category	Originator	Issues raised	Our response
	Bundaberg	Queried what the impact would be of allocating non-direct costs by megalitre.	<p>On average, if non-direct costs were allocated by megalitre, the share of these costs allocated to Bundaberg bulk and distribution would increase compared to the current methodology.</p> <p>Bundaberg (bulk and distribution) comprised, on average, 8.5% of SunWater's total water deliveries over the last 10 years. Therefore, if non-direct costs were allocated by megalitre then Bundaberg would be allocated, on average, 8.5% of these costs.</p> <p>Based on 2018/19 forecasts, Bundaberg (bulk and distribution) has been allocated 7.2% of local area support costs, 6.9% of corporate support costs and 8.0% of indirect costs.</p>
Insurance	BRIA	Expressed a preference not to insure channel assets as they believe these assets are not claimable anyway.	<p>Any channels owned by SunWater are claimable under our current insurance policy (subject to relevant claim limits/deductibles etc). SunWater is considering self-insurance for certain distribution assets, however, further consultation with customers is required before these new arrangements can come into effect.</p>
	Kinchant Dam Water Users Association (KDWUA)	Indicated that the Eton scheme was not affected by flood damage in the recent weather events, therefore they are not concerned if the channel assets are not insured.	Noted. As above, SunWater is considering self-insurance for certain distribution assets.
	Macintyre Brook	Queried whether it would be cheaper to self-insure.	SunWater is cognisant of the impact of high insurance costs on prices paid by irrigation customers. We regularly explore ways of reducing premiums, including by reviewing our level of risk insured, deductibles, limit of liability and claim history. We are also currently considering self-insurance for certain distribution assets and undertaking a Risk Financing Optimisation exercise.
	Pioneer Valley Water Board	Queried whether insurance can be allocated by risk instead of asset value.	SunWater's current approach is to use declared asset values. We are working with our insurance broker on alternative means for reducing insurance costs including a Risk Financing Optimisation exercise.
Non-routine projects	Barker Barambah	Noted large peaks in the non-routine program for the scheme in 2044/45 and 2045/46.	SunWater explained during the Irrigator Advisory Committee meeting that this was related to a potential replacement of

Category	Originator	Issues raised	Our response
			anchors in the spillway. The project will be subject to an anchor investigation in 2022/23.
	Dawson Valley	Requested SunWater to review the need for the five-yearly comprehensive inspection of Orange Creek Weir given the review in 2017.	SunWater conducts comprehensive inspections on each dam and weir to maintain our asset condition knowledge and optimise the non-routine maintenance plans. This occurs every five years, with the next one scheduled for 2022/23.
	QFF	Queried whether the non-routine program of works for distribution systems reflects the improvements SunWater made to our asset strategy in 2016.	Yes, the non-routine program of works is based on our new asset strategy for distribution systems. SunWater developed this asset strategy to better manage outer-year expenditure profiles and ensure the lowest whole-of-life cost. Our main submission provides further details on our asset strategy for distribution systems.
	ICRG	Queried why SunWater always does like-for-like replacement when there are more cost-effective alternatives.	SunWater has been increasingly moving away from like-for-like replacements. For example, our technical specification process identifies new technologies that should be considered for the specific project under review. In situations where identified technological advances lead to lower cost solutions, these are rolled out for other relevant projects across the different service contract areas and are incorporated into future projects in the form of technical standards and/or technical scopes.
	Nogoa Mackenzie	Requested the removal of costs related to the replacement of substation equipment at the Selma switchyard in 2023/24 from the bulk water service contract, as the switchyard is a distribution asset.	SunWater made this change in the final 2019 Network Service Plan.
	Nogoa Mackenzie (Emerald) & KDWUA	Sought clarification on the allocation of costs to the distribution system of bulk water meter replacements in Emerald and the Oakenden main channel flow meter in Eton.	SunWater confirms that the meters are physically located in the relevant distribution system and therefore should be attributed to the distribution service contract.
	Pioneer Valley Water Board, Bundaberg & St George	Interested in an explanation of the changes to non-routine projects:	The annual and five-year program of works reflect known asset condition and risks, and project scopes and costings at the time of preparation. Items are scheduled to strike a balance between

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		<ul style="list-style-type: none"> • between the draft Network Service Plan and the final Network Service Plan • between the final Network Service Plan and the actual projects undertaken that year. 	<p>asset needs and the ability to fund under the service contract annuity.</p> <p>The Network Service Plan provides a snapshot of short and longer-term projects and planning items that are routinely revised and amended subject to new or more detailed information. The actual works undertaken reflect both the planned and unplanned activities that are prioritised through risk to ensure the maximum benefit is achieved. Planned projects may be brought forward or deferred based on continuous program assessment.</p> <p>SunWater’s Works Management System collects the condition and risk data but is not designed to provide reports on what has changed from one time period to the next. In the future, SunWater proposes to provide Irrigator Advisory Committees with copies and/or summaries of inspection reports which have led to changes to the program.</p> <p>We have also recently developed the Workflow Root Cause Analysis Report to identify the cause of program changes. We expect this will help us provide customers with an explanation in future Annual Performance Reports of the variance between the projects we expected to undertake during the most recently completed financial year and the projects we undertook.</p>
	St George	Raised concerns in relation to the need to undertake certain non-routine projects, as well as forecast costs of other projects.	<p>SunWater reviewed our program of works in light of the feedback received from the Irrigator Advisory Committee. We made the following amendments:</p> <ul style="list-style-type: none"> • removed the fencing project • retained the crane audits at Beardmore Dam and Jack Taylor Weir. The forecast costs aligned with the 2017 project which resulted in reduced costs going forward. • retained the 20-year dam safety review, as this review is mandatory for referable dams under the Queensland Dam Safety Management Guidelines and dam safety condition schedules. The forecast cost is consistent with other dam safety reviews.

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			<ul style="list-style-type: none"> retained the project to perform an X-ray examination of wire ropes at Beardmore Dam and Jack Taylor Weir. X-ray examinations are the most cost-effective option, as they enable SunWater to better plan for a condition-based replacement rather than a time-based one. removed the project at Jack Taylor Weir to remove the jib crane.
	St George	Concerned about the delay in Thuraggi Channel works and the feasibility of the preferred option.	<p>SunWater has identified inefficiencies in the project to address sand boils affecting the outlet structure to Thuraggi Channel and temporary mitigation works to address dam safety concerns. We have therefore proposed an adjustment to the opening balance in 2020/21 (refer to Chapter 2 of our main submission). We have also proposed an adjustment relating to the procurement process for the refurbishment of the electrical system at Beardmore Dam.</p> <p>We modelled the impact of the proposed adjustments on the annuity contribution and provided this information to the Irrigator Advisory Committee in October 2018. If the adjustments were applied, the annuity contribution would decrease from around \$600,000 to \$573,600 in 2020/21 (based on current forecasts).</p>
	Three Moon Creek	Requested SunWater to smooth out the peak in the non-routine program in 2041/42.	SunWater amended this in the final 2019 Network Service Plan.
Annuity balance	St George	Queried why the forecast annuity closing balance in the bulk water supply scheme is negative in 2018/19, when the QCA projected a positive closing balance.	<p>There have been several unplanned non-routine projects since 2012/13 which have contributed to the annuity closing balance differences. These include:</p> <ul style="list-style-type: none"> around \$1 million to repair flood damage following severe weather events in 2010/11 and 2011/12 expenditure on investigations into sand boils affecting the Thuraggi Channel outlet structure and temporary mitigation works to address dam safety concerns. The sand boils were not discovered until after the QCA set the annuity contribution in 2012. installing a tailwater gauge at Beardmore Dam (\$22,000)

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			<ul style="list-style-type: none"> replacing failed piezometers at Beardmore Dam (\$71,000) undertaking a dam break analysis (\$69,000) installing a new gauging station at Warroo (\$79,000) low level pump operations at Beardmore Dam in 2013 (\$120,000) refurbishing the Beardmore Dam dissipater (\$207,000). <p>SunWater is proposing two adjustments to the opening balance of the annuity in 2020/21 in relation to inefficient expenditure, which will positively impact the annuity balance. Chapter 2 of our main submission provides further details.</p>
Annuity period length	Bundaberg	Expressed a preference for a 20-year annuity and was concerned that the Queensland Government would claw back positive annuity balances if the scheme moves to a 30-year annuity.	<p>Noted. Our submission proposes the adoption of a 30-year annuity. Longer annuity lengths are not uncommon for other rural water businesses — for example, Murray Irrigation maintains two separate annuities of 50 years and 100 years, and Coleambally is 100 years. We have also made improvements to our approach to forecasting non-routine expenditure since the 2012 review, which better manage outer-year expenditure profiles.</p> <p>In relation to the claw back, accountability for annuity balances is provided by the Network Service Plan reporting and the QCA’s irrigation price review process. We are not aware of any proposed changes to Queensland Government policy regarding positive annuity balances.</p>
	BRIA, MDIAC & Proserpine River	BRIA and the Proserpine River Irrigator Advisory Committee endorsed a 30-year annuity, and MDIAC expressed a preference for 30 years.	Noted. Our submission proposes a 30-year annuity.
	ICRG	SunWater should provide stakeholders with transparency of the impact of a 20-year versus a 30-year annuity on a scheme’s costs per megalitre.	<p>Our regulatory model, which has been made public as part of this submission, allows users to model the impact on costs per megalitre of applying a 20-year versus a 30-year annuity in each of the service contract areas.</p> <p>We also illustrated the impacts to Irrigator Advisory Committees during our third phase of consultation.</p>

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	Pioneer Valley Water Board	Noted that Pioneer Valley Water Board has a 20-year annuity.	Noted.
	Upper Condamine	Expressed a preference for a 20-year annuity.	Refer above in relation to our proposal to adopt a 30-year annuity.
HUF	Boyne River & Tarong	Supported the inclusion of the revised HUFs in SunWater's regulatory model.	Noted.
	Callide Valley	Highlighted that the water allocations were reduced in the resource operations plan, which should increase the cost reflective target.	SunWater has revised the HUFs in line with the changes made to the resource operations plan and has reflected these changes in our regulatory model. Appendix J provides further details on the revised HUFs.
	MDIAC	Interested in a presentation on the HUF so they can explain it to customers and sought clarification on how the hydro allowance is factored into the HUF.	SunWater has organised a presentation for late 2018 on the HUF. Adjustments relating to hydro releases are made to the levels which partition the storage into the MP1 and HP1 elements. These adjustments are: Volume of Tinaroo Falls Dam required to supply hydro releases in first month of Water Year (Barron resource operations plan ⁴ s78 (2)) = 24,700 ML. The HUF calculation for the scheme is detailed in the "Headworks Utilisation Factors: Combined Technical Report and Addendum", which is available on the QCA's website at: http://www.qca.org.au/Water/Rural/SunWater-s-Irrigation-Prices/Final-Report/Irrigation-Prices-for-2012-17#finalpos (refer to pages 74 and 75).
	Nogoa Mackenzie	Interested in an explanation of the revisions made to the HUFs.	SunWater will arrange a presentation for late 2018 on the HUF.
	Upper Condamine	Sought clarification on whether the HUF review will consider the new cut-off rule and whether the revised HUFs will be used in setting prices.	Yes, the cut-off rule is included in the revised HUFs for Upper Condamine. Appendix J provides further details on how the revised HUFs were calculated.

⁴ The rule in the Barron resource operations plan relating to hydro releases is now located in the resource operations licence for the Mareeba-Dimbulah scheme.

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			SunWater has adopted the revised medium priority HUF of 8% (down from 11%) in our regulatory model. The impact on prices ultimately paid by irrigation customers is dependent on Queensland Government policy. In past irrigation price reviews, the policy has been that prices do not fall.
Cost recovery	Barker Barambah	Queried the scheme's cost recovery status. In the previous price path period, the scheme was above the efficient cost-reflective revenue requirement. However, the draft 2019 Network Service Plan indicates that a subsidy applies for both Part A and Part B charges.	<p>SunWater's costs have been consistently higher than the QCA targets, particularly insurance costs. New regulatory requirements, such as the new emergency management planning functions, were also not included in the original cost estimates.</p> <p>Going forward, adjustments to the annuity contribution to reflect past expenditure, such as flood damage, and future replacement will continue to put pressure on costs per megalitre.</p> <p>More information on each of these costs is included in the 2019 Network Service Plan.</p>
	Dawson Valley	Queried the bulk water supply scheme's cost recovery status. Perceived that SunWater was making a profit. In the previous price path period, the scheme was above the efficient cost reflective revenue requirement.	<p>Irrigation prices the QCA recommends are based on 'lower bound costs'. Lower bound costs keep prices for irrigation customers low by only allowing SunWater to recover efficient routine costs and an annualised annuity allowance to reimburse us for the current and future renewal of existing assets over time. Lower bound cost-reflective pricing does not recover the costs of the assets we have already built.</p> <p>The Part A tariffs recommended by the QCA for the 2012/13 to 2016/17 period were above the QCA-determined lower bound cost-reflective tariffs. The Part B tariffs were set at the same level as the lower bound cost-reflective tariffs.</p> <p>Pricing for the next price path period is a matter for the Queensland Government. However, based on current forecasts for the next price path period, SunWater expects that the scheme will return to a lower bound cost recovery position in 2020/21. This is due to the increased annuity contribution (driven by current annuity balances and the forecast non-routine projects over the next 30 years), partly offset by a change in the HUF which</p>

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			reallocates a greater share of fixed costs to high priority customers.
	Pioneer Valley Water Board	Queried the scheme's cost recovery status. In the previous price path period, the scheme was above the efficient cost-reflective revenue requirement.	<p>The Pioneer bulk water supply scheme was recovering lower bound costs based on the QCA's 2012 review. Since then, a number of costs have increased, including insurance and non-routine expenditure. More information on these increases is included in the 2019 Network Service Plan.</p> <p>These increases are partly offset in the next price path period for medium priority customers due to a revision of the HUF (revised from 44% to 38%). This means high priority customers are being allocated a greater share of costs than they were previously.</p> <p>SunWater expects that medium priority prices will return to lower bound cost-reflective levels by 2022/23, assuming no change to current Queensland Government policy and current cost forecasts.</p>
QCA review process	Bundaberg & Callide Valley	Noted that the price outcome for irrigation customers will be set by the referral notice and queried the value of the QCA's review process.	SunWater has passed this feedback on to the Queensland Government and the QCA.
	QFF	Suggested that the QCA's review process should be focused on the DIP, and flood and electricity costs.	Noted.
	Lower Mary River & MDIAC	Queried how the outcomes of the LMA reviews flow through to pricing and sought to build on the reviews to minimise duplication in the QCA's review process.	<p>Our submission highlights customers' preferences to maximise the use of the LMA reports to reduce duplication and review costs. We have also passed this feedback on to the Queensland Government and the QCA.</p> <p>SunWater considered the recommendations in the LMA due diligence report in preparing our non-routine expenditure forecasts. Many of the recommendations found that SunWater's asset management was consistent with best practice. In some instances, recommendations were made to increase expenditure in areas that SunWater did not believe was able to be justified. As a result, these recommendations did not lead to any changes to SunWater's forecast non-routine program.</p>

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	Macintyre Brook	Concerned about the length of the previous irrigation price review process and would like a shorter review period next time.	Noted. SunWater has communicated to the Queensland Government and the QCA our preference for a light handed regulatory approach, including a shorter review period.
	Macintyre Brook	Interested in understanding what matters they can influence (in terms of the submission).	Some customers have been interested in understanding more about SunWater's approach and methodology and part of the engagement process is responding to those issues. We tried to make it clearer in future meetings what matters stakeholders could influence.
DIP	Nogoa Mackenzie	Interested in an explanation of the Fairbairn DIP costs and SunWater's position on the community and industry paying for the DIP.	<p>SunWater provided an update of the Fairbairn Dam improvement project to the Irrigator Advisory Committee in August 2018. Chapter 4 of our main submission sets out the current forecast efficient DIP expenditure for the next price path period, with further information on the project available at: http://www.sunwater.com.au/development/projects/fairbairn-dam-spillway-improvement.</p> <p>To date, SunWater's government shareholders have been meeting the cost of the DIP. SunWater is not aware of any intention to retrospectively change this policy. Should the Queensland Government decide to consider a change in policy, SunWater would be guided by that new policy.</p>
	KDWUA	Believes that the Queensland Government should continue to pay for the DIP, as communities are the main beneficiaries and the costs have arisen due to Queensland Government policy.	Noted.
Recreational area costs	BRIA, ICRG & Nogoa Mackenzie	Interested in the treatment of recreational area costs.	The referral notice requires the removal of costs associated with the provision of recreational facilities that would not otherwise be incurred to supply water from 2020/21, unless the QCA is satisfied that there is customer support for these costs to remain included. SunWater has removed these costs from our base year estimates and excluded all recreational area related non-routine expenditure from 2020/21. We expect the QCA to consult on this matter as part of its review process.

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Emergency management costs (IGEM)	St George	Does not support irrigation customers paying for costs related to the implementation of the IGEM Review recommendations, as the community is the main beneficiary.	Noted. The referral notice enables SunWater to recover prudent and efficient costs incurred in implementing the 2015 recommendations made by the IGEM relating to operations in high rainfall events. As these costs are new compliance costs, the Queensland Government considers that they should be treated like other regulatory costs and be recovered, over time, in prices paid by water users (including irrigation, industrial and urban customers).
Service delivery	Boyne River & Tarong	There should be no increases in prices until water security improves. They want SunWater to be an advocate for projects to improve water security.	<p>SunWater undertook modelling of a capacity upgrade to Boondooma Dam to help address concerns about water reliability in the scheme. This modelling indicated that, even with a significant upgrade to Boondooma Dam, reliability does not increase enough to pursue this option.</p> <p>We shared these results with the Irrigator Advisory Committee, who then requested that modelling for a potential weir at Cooranga be undertaken. The Department of Natural Resources, Mines and Energy (DNRME) assisted with catchment modelling for Cooranga which indicated a definitive improvement to scheme reliability, although at times there were still periods indicated in the modelling when the scheme would reach the medium priority cut-off. The Boyne irrigators, along with SunWater, DNRME, North Burnett Regional Council and other relevant stakeholders, have held meetings to establish next steps to source funding for a business case to the Queensland Government.</p>
	Macintyre Brook	SunWater needs to consider timing of works to minimise disruption to customer water needs.	SunWater may suspend or restrict supply in a number of circumstances, including during maintenance of our assets. We recognise that the timing of planned shutdowns should suit most customers. We therefore have a service target to set the timing of planned shutdowns in this scheme following consultation with the Irrigator Advisory Committee (for a shutdown affecting a large part of the scheme) or customer groups or individuals (for shutdowns affecting small areas).

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	MDIAC	Water orders put in through the system are not getting through to the operators.	We have reviewed this and we have not been able to identify any ongoing issues with orders being placed and not coming through the system. We will continue to monitor this situation.
	Proserpine River	Interested in more gauging stations.	The cost of any gauging stations we install will be included in a future funding strategy, which could include the annuity (subject to customers agreeing to a future written proposal from SunWater).
	Upper Burnett	Raised concerns with the supply capacity of Claude Wharton Weir and advised that any decision to re-install the fabridam at the weir should be consulted on with customers.	SunWater is looking at ways to increase the supply capacity and if the opportunity arose to raise the level of Claude Wharton Weir then we would consider it. SunWater would consult with customers prior to making any decisions.
Other matters	Chinchilla Weir, Proserpine River & St George	Sought clarification on who owns and pays for meters.	The customer pays for the original meter which SunWater then owns in perpetuity, covering maintenance and replacement costs. The costs of a meter upgrade (size/capacity) is borne by the customer. If the existing meter is due for replacement or is non-functional, the customer would not be required to pay the full cost, rather they would be charged an enhancement contribution.
	Cunnamulla	The Council is open to taking on ownership of the weir.	SunWater met with the Council to explore this option and has provided relevant information for consideration by the Council. We will keep the QCA informed of any progress on this issue.
	Nogoa Mackenzie	Queried what SunWater's policy on termination fees for allocations traded from mines to irrigation is.	SunWater may, depending upon the terms of the contract, apply a termination fee for permanent trades from one bulk tariff group to another.
	Nogoa Mackenzie	Queried whether water can be temporarily traded from mines to irrigation.	This will depend upon the terms of the contract.
	Nogoa Mackenzie	Queried whether standard policies apply across SunWater, eg fencing policy.	The SunWater fencing policy is consistently applied across all SunWater distribution schemes and installations reflect asset audits and risk assessments. Fence installations may have some variance where local managers have negotiated alternative arrangements at their own discretion.

