

## **FIRST 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 them. As appropriate, issues will be addressed in proposed Issues Papers and in the Authority's reports].

**Scheme:**           **Upper Condamine**

**Date:**             13-May-10

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### **Process Issues**

- The time allowed is too short and the timelines should be extended.

### **Technical Issues**

- The Government does not seek a rate of return on its other assets (eg museums, roads) so should not seek a return from irrigation assets.
- The assets were built for regional/community development purposes and it is not appropriate for the Government to now decide to charge a rate of return.
- All assets, not just channel assets, should be valued at zero.
- Some irrigators are already paying a rate of return through the Part C charge. SunWater has subsequently advised that irrigators in the Upper Condamine do not pay a Part C Charge.
- Irrigators should not be required to pay for water that is not available through the fixed Part A charge.
- Irrigators questioned whether the form of regulation (price cap or revenue cap) will be the same across schemes or whether it will vary between schemes depending on circumstances.
- Irrigators cannot pass on higher water costs.
- Ongoing efficiency of SunWater's operations should be monitored during the price path.
- Indexation of prices should be linked to commodity prices.

### **Scheme Specific Issues**

- Leslie Dam provides very little service to irrigators and irrigators should only be required to pay a small portion of Leslie dam's costs. The Water is supplied to Warwick (under emergency supply provisions outlined in Regulation).
- As the scheme provides poor water reliability, irrigators have invested in on farm storages and pump water when it is available. Consequently, irrigators incur the evaporation losses from their own storages.