

## 2025–29 rural irrigation price review Giru workshop – summary of issues raised

*This note records issues identified and views expressed by stakeholders present at the QCA's workshop on the draft report for Sunwater's schemes. 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:** Burdekin-Haughton

**Date of workshop:** 1 August 2024

Topic	Issues raised
Giru Groundwater tariff group	<ul style="list-style-type: none"> <li>• There was discussion about past arrangements related to recognition of natural yield and pricing, and how these have evolved.</li> <li>• Some stakeholders said that water is available other than via the diversion from the channel, and that this is approximately half of usage.</li> <li>• Some stakeholders said that without the price discount for the Giru Groundwater tariff group, customers in this tariff group would be at a competitive disadvantage relative to other distribution system customers, as they consider there is a lower level of service and higher on-farm costs in the Giru Benefited Groundwater Area (GBGA).</li> <li>• Some stakeholders said the QCA should address the competition impacts of differential pricing, noting this customer group has a relatively low level of commercial cane sugar (CCS) and yield, and that the previous arrangements/CSO should apply to reflect this.</li> <li>• Some stakeholders said there was a different level of service for GBGA and that this should be acknowledged in pricing, because: <ul style="list-style-type: none"> <li>– Channel water and groundwater are not the same.</li> <li>– GBGA customers do not have the same connection/service as channel customers.</li> <li>– GBGA customers do not have guaranteed supply.</li> </ul> </li> <li>• A stakeholder questioned how the QCA would assess whether there is agreement from customers for a change in cost allocation.</li> <li>• A stakeholder commented that the assessment of the level of supplementation by the channel system should take losses into account.</li> </ul>
Sunwater's costs	<ul style="list-style-type: none"> <li>• A stakeholder questioned how Sunwater's costs have increased across all schemes.</li> <li>• A stakeholder questioned the QCA's consultant's use of comparisons with other water businesses in assessing Sunwater's costs, noting that there are differences between firms.</li> </ul>

Topic	Issues raised
Billing system costs	<ul style="list-style-type: none"> <li data-bbox="598 248 1337 315">• A stakeholder expressed support for Sunwater’s approach of allocating billing system costs based on customer numbers.</li> <li data-bbox="598 331 1430 439">• A stakeholder questioned whether it was the complexity of dealing with the non-regulated part of Sunwater’s business that drove billing system costs.</li> </ul>
Inflation	<ul style="list-style-type: none"> <li data-bbox="598 461 1358 528">• A stakeholder asked about the QCA’s approach to forecasting inflation over the price path period.</li> </ul>
Insurance costs	<ul style="list-style-type: none"> <li data-bbox="598 551 1449 618">• Some stakeholders sought confirmation that the QCA had considered updated information on Sunwater’s insurance costs.</li> </ul>
Dam safety upgrade capex	<ul style="list-style-type: none"> <li data-bbox="598 640 1433 707">• Some stakeholders sought confirmation that irrigators do not pay for dam safety upgrade capex.</li> </ul>