

2025–29 rural irrigation price review Monto 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.

Schemes: Three Moon Creek, Upper Burnett

Date of workshop: 21 August 2024

Topic	Issues raised
Dam safety upgrade capex	<ul style="list-style-type: none"> A stakeholder questioned whether the large project associated with the dam should be treated as renewals or dam safety upgrade capex.
Scheme-level costs	<ul style="list-style-type: none"> Some stakeholders felt that the work to operate the scheme is modest and the scheme’s operating cost should reflect this given Sunwater has one full time employee in the scheme. A stakeholder asked if there was a better way to allocate overheads than direct labour. A stakeholder queried the process that Sunwater uses to find efficiencies. A stakeholder indicated that they are being asked to find efficiencies in their business with the price uplift, but Sunwater has far greater scale than irrigators and should be able deliver greater efficiencies than farmers. A stakeholder indicated that the cost increases seem one-sided with the burden being experienced by stakeholders and questioned what burden is borne by Sunwater. Some stakeholders questioned why Sunwater cannot access a whole of government insurance policy when they can access whole of government electricity rates.
Billing system costs	<ul style="list-style-type: none"> Some stakeholders questioned how Sunwater could expend the amount they have on the new billing system.
Prices	<ul style="list-style-type: none"> Some stakeholders requested clarity on how the price target is determined. A stakeholder sought confirmation of the current prices that are charged in the Upper Burnett scheme, as they said their prices were higher than presented for the scheme
RAB vs annuity approach	<ul style="list-style-type: none"> A stakeholder indicated that the RAB approach would improve transparency, which is a better outcome. They still need to be informed about the forward 30 years but have the cost focus on the four years ahead.

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Affordability	<ul style="list-style-type: none"><li data-bbox="635 248 1465 394">• A stakeholder raised concerns with the increasing costs and the ability for irrigators to absorb these costs. Some stakeholders indicated that Three Moon Creek is a small scheme with small farms and not big broadacre farms.<li data-bbox="635 394 1465 506">• Some stakeholders indicated that, between water prices and electricity prices, they are struggling to decide what crops to plant and what crops to irrigate.