

2025-29 rural irrigation price review Pittsworth 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: Upper Condamine, Macintyre Brook, Chinchilla Weir

Date of workshop: 16 August 2024

| Topic | Issues raised |
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| Upper Condamine prices | <ul style="list-style-type: none"> A stakeholder queried why prices in this scheme had gone from full cost recovery to below cost, and why there is now a negative annuity balance when prices had previously been above costs. |
| Scheme level cost drivers | <ul style="list-style-type: none"> Stakeholders wanted to understand the drivers of the larger increases in costs and price targets in some schemes (such as Upper Condamine) relative to smaller increases in other schemes (such as Chinchilla Weir). Stakeholders said more information about scheme-specific cost drivers was needed, not just cost drivers at the overall level. Stakeholders also queried the basis for large cost increases and cost volatility between years, when the service provided by Sunwater has not changed. |
| Billing system costs | <ul style="list-style-type: none"> A stakeholder raised concerns that the costs of the system were high on a per customer basis, even after the QCA's proposed reduction. |
| Meter replacements | <ul style="list-style-type: none"> A stakeholder queried whether Sunwater needed to replace as many meters as suggested in their November 2023 proposal. |
| Costs allocated to tariff groups | <ul style="list-style-type: none"> A stakeholder asked about the categories of costs allocated to the different tariff groups and whether some costs were specific to certain tariff groups. |
| RAB vs annuity approach | <ul style="list-style-type: none"> A stakeholder asked whether the two approaches would deliver equivalent outcomes over time, and whether the QCA would prefer the RAB approach if Sunwater addressed the issues identified with its capitalisation approach. |