

## QCA irrigation workshop: issues arising

*[This note records issues identified and views expressed by stakeholders present at the meeting. 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/(s):** Barker Barambah WSS and Boyne River and Tarong WSS

**Location:** Murgon

**Date:** Wednesday 9 October 2019

### Pricing framework

- Concern raised at level of price increases and affordability.
- Concern raised with paying the fixed price during times of no water supply.

### Apportionment of dam safety upgrade capital expenditure

- Query as to whether the indicative \$/ML cost impact associated with the proposed dam safety upgrade project was in addition to the cost reflective (lower bound) cost target for this scheme.
- It was noted that the indicative cost impact for 2028–29 was in \$2020–21 terms, and will be adjusted for annual inflation when it comes into the cost base.
- Concern raised with the level of price increase associated with dam safety upgrades, and the subsequent impact on affordability.

### Costs

- Concern raised with how Inspector-General of Emergency Management (IGEM) review costs were allocated to schemes. QCA staff noted that in the draft report the QCA accepted Sunwater's revised June 2019 IGEM costs, which resulted in a lower cost base (as compared to Sunwater's November 2018 submission) and a lower share being allocated to Barker Barambah WSS (reflecting a revised cost allocation approach that takes into account risk factors).
- Insurance costs:
  - Concern raised that insurance costs are not relative to the historical claims experienced by the Barker Barambah scheme.
  - Query as to how insurance costs compare to water businesses in other jurisdictions (e.g. WaterNSW). Sunwater representative indicated that it is difficult to benchmark to NSW as Queensland has different climatic events.
  - View expressed that North Queensland climatic events impact on the insurance costs for schemes in southern Queensland which would have a different risk profile.
- Query as to whether bathymetric survey costs will be applied to irrigators, given that these works are associated with recreational activities. The referral notice requires the cost of recreation facilities to not be borne by irrigators.
- Concern raised with the inclusion in the QCA's proposed renewals program of the possible repair works to the dam anchors as the review for this will only happen in the next three to four years.

### Draft prices

- Concern raised that the QCA may incorporate an access charge in its final recommended prices, with limited consultation undertaken by Sunwater in this scheme on its proposal.