Queensland Competition Authority

Review of RAB-based irrigation prices 2027–29
Emerald workshop – summary of issues raised

July 2026

This note records issues identified and views expressed by stakeholders present at the QCA's workshop on the draft report for Sunwater 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: Nogoa-Mackenzie

Date of workshop: 22 July 2026

Topic	Issues raised
Scope of the review	• A stakeholder asked whether the QCA would be making a recommendation to the government on the preferred approach or whether the QCA would only be presenting the relative merits of the approaches. • A stakeholder asked how the QCA would communicate its findings to the government. • A stakeholder asked whether majority stakeholder opposition to the RAB approach would impact the QCA's decision making. • Stakeholders considered that the language in the draft report appears to favour the RAB approach.
Asset planning and management	• Some stakeholders considered that step changes in the annuity allowance at each price review and the build-up of negative annuity balances reflected shortcomings in the forecasting process. • Some stakeholders expressed concern that capital projects may be scoped and scaled up without sufficient customer engagement.
Investment incentives	• A stakeholder observed that the RAB approach would only strengthen investment incentives if supported by more robust levels of governance, regulatory scrutiny and oversight.
Price stability	• Some stakeholders expressed the view that they would be more exposed to short-term price volatility under the RAB approach. • Stakeholders considered that the annuity approach provides greater price stability.
Effective regulatory oversight	• Some stakeholders expressed the view that moving to a RAB approach would not, by itself, improve operating efficiency. • Some stakeholders said that Sunwater is currently operating with significant inefficiencies and that, without effective

Topic	Issues raised
	oversight, inefficiencies could build up and be capitalised in the RAB. • A stakeholder asked how the QCA would treat cost overruns under the RAB approach.
Draft prices	• A stakeholder queried whether the draft price targets and prices in the draft report are representative of prices likely to apply in 2027–28 and 2028–29.