

Review of RAB-based irrigation prices 2027-29 Gatton 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 Seqwater 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: Central Lockyer Valley, Lower Lockyer Valley

Date of workshop: 13 July 2026

Topic	Issues raised
Rate of return	- Some stakeholders considered that the return on capital is an additional cost component under the RAB approach and that the businesses should not be earning a return beyond their actual cost of debt. - A stakeholder asked how the weighted average cost of capital (WACC) is calculated and applied under the annuity and RAB approaches.
Asset planning and management	A stakeholder said that cost overruns associated with metering installation costs had contributed to negative annuity balances under the renewals annuity approach.
Risk allocation	A stakeholder stated that it is possible for Seqwater to bear financing risk under the annuity approach because the QCA may disallow renewals expenditure.
Price stability	A stakeholder asked about the drivers of price volatility under the RAB approach.
Effective regulatory oversight	- Some stakeholders asked how the QCA would prevent gold plating under the RAB approach, including through prudence and efficiency assessments. - A stakeholder queried how the QCA would deal with situations where actual costs exceed forecasts under the RAB approach.
Transparency	- A stakeholder said that it is important for the businesses to engage effectively with customers on proposed renewals requirements before proposals are presented to the QCA. - Some stakeholders were concerned that visibility of long-term renewals requirements could be reduced under the RAB approach.
Stakeholder modelling	A stakeholder asked about the QCA's views of the Highlander Consulting model that was prepared in support of the Queensland Farmers' Federation submission.