

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 draft report.]

Scheme/(s): Barker Barambah WSS and Boyne River and Tarong WSS

Date: Tuesday 5 February 2019

Pricing framework

- Stakeholders noted that there is high variability in announced water allocations. Over 2011–13 irrigators were allocated 100 per cent of medium priority allocations but this has been wound down in the following years.
- While a high fixed (Part A) charge helps create security of revenue for SunWater, this results in water not being appropriately valued. It was suggested that the volumetric charge could be higher as irrigators are better placed to pay water charges when they are using the water. There are challenges in paying high fixed (Part A) charges during drought periods.

Inspector General Emergency Management (IGEM) review costs

- Stakeholders were concerned about IGEM costs and how they were allocated. They considered that the weir provides benefits to the community as it mitigates peak flood flow and prevents flooding. Questioned how \$159,000 in costs are allocated to the Barker Barambah scheme.

Electricity costs

- Redgate Relift customers raised concerns regarding electricity prices.

SunWater's proposed costs

- Stakeholders noted the long process for insurance claims and the affect this has on the annuity.
- Some stakeholders supported a 20 year annuity period for this price path period, and then moving to a 30 year annuity in subsequent price periods. Questions were raised on some of the projects being recovered in the annuity:
 - bathymetric surveys that were primarily used for the benefit of recreational users
 - other surveys included in annuity where nothing happens subsequently.
- Stakeholders questioned the pump replacement costs for Redgate Relift.
- Stakeholders would like further investigation into SunWater's proposed cost allocation method, especially overhead loadings for capital expenditure. Also questioned how costs are shared across a smaller customer base given that some distribution schemes have transitioned to local management arrangements (LMA).

Prices

- Redgate Relift customers would like further investigation into the different pricing zones for this system.