FIRST ROUND CONSULTATION - ISSUES ARISING

[This note records issues identified, and views expressed, by stakeholders present at the meeting. The Authority is yet to form any opinion on them. As appropriate, issues will be addressed in proposed Issues Papers and in the Authority's reports].

Scheme: Eton WSS and Pioneer River WSS

Date: 21-May-10

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Process Issues

- Requested 3 weeks' notice for meetings.
- There are two WSS in the Valley.
 - (i) The Eton Water Supply Scheme is directly supplied by SunWater. Customers are directly impacted by future prices. (approx 300 farmers)
 - (ii) The Pioneer Valley Water Board (PVWB) is considered to be a single customer so its irrigators are indirectly impacted (has 246 farmers with 336 water allocations). It is in the process of transitioning from a Board to a Co-Op.
- Attendance numbers need to be taken into consideration when organising meetings. (anticipated 30-40 and nearly 70 attended the meeting).
- The review timetable is impossible.

Technical Issues

- Farmers in the PVWS currently pay differential prices;
- meaning of "line in the sand" asset valuation requires clarification;
- Will historical usage be the basis for forecasting utilisation and hence the tariff costs.
- Availability of water is an issue as it is often not available when required; the year starts in April for EWSS, and July for PRWSS and full allocations given when farmers don't need the water. So Part A charges can penalise irrigators as the total availability does not match required availability in some areas.
- Compliance costs shouldn't be at a cost to irrigators.
- Will SunWater's efficient management costs be benchmarked against audited published figures from the locally managed Board?

Scheme Specific Issues

• Electricity is a major cost both to supply water to the farms and when water cannons and similar devices are used in the application. Water application costs are very high when

water cannons are required. Many areas have undulating ground not suitable for furrow irrigation. Cane yields have been depressed through black smut : 70t/ha was quoted

- The area under cane is shrinking due to poor returns, competition for land and employment opportunities in the mines.
- Returns to canefarmers vary across the irrigated areas so there is no uniform "capacity to pay"
- Deflated fabri-dams have reduced storage capacity and increased costs. SunWater's advice was that they may not be replaced as the manufacturer no longer makes them.
- Grant money used to build dam.
- Mackay Sugar has contributed capital to the PVWB distribution system.