

SECOND 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 these issues and views. As appropriate, issues will be addressed in the Authority's reports].

Scheme: Upper Burnett, Boyne and Tarong WSS's

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Scheme Specific Issues

Operating costs

- Not clear whether operating costs from NSP presented are the same as the current price path.
- Substantial quantities of water, mostly high priority was sold in the last 4 years to the Shire, so costs should be shared by high priority water users.
- The basis for the spikes in operating costs is not well-explained.

Renewals

- Not clear whether the basis of forecast renewals is the last 4 years.
- Not clear why the next 20 years annuity is a concern for (current) irrigators.
- Budgeting beyond 12 months is difficult. Ordinary businesses only make budgets for the next 12 months.
- SunWater spends a significant amount on forecasting renewal expenditures. Forecast renewals may not be realised as these may be brought forward or backward by SunWater.

Indirect and overheads

- Cost allocation of labour is difficult if staff are shared between schemes.
- The allocation of indirect costs and overheads is very confusing.
- Some schemes incur more costs than others, so why do the lower cost schemes bear the costs of the higher cost schemes?

Cost allocation

- Difficult to differentiate costs between high priority and medium priority water users. High priority users must not charge medium priority users their pumping costs.
- Pipeline costs which are mostly for Tarong Power Station (high priority user) should not be borne by irrigators.

- Medium priority WAE holders expressed a concern that they have zero announced allocation when the volume stored in the dam falls below 70,000ML. This cut off benefits high priority users the most.
- The more medium priority water is sold to high priority users, the more costs will be borne by the remainder of the medium priority users.
- Concerns that Headworks Utilisation Factors (HUF's) are not done on a scheme basis but at the State level, and that the HUF is not better for irrigators relative to the old conversion factor.
- The HUFs should have a special consideration for areas like Boyne.

Recreation costs

- Negotiations had been going on for 5 years with Council about the management of recreation facilities. Irrigators are not happy to bear the costs of recreation.

Tariffs

- Boyne and Tarong issue – that 2,000ML of medium priority water had been sold to SunWater as high priority for Tarong power station with (only) 11,000ML left for irrigation purposes.
- The determination of prices should not be based only on economic reasons but also take into account the impacts on people's lives.
- Irrigators already made a lot of infrastructure improvements on their own farms when they were promised so much water, only to be told water prices are going to increase.

Consultation

- Concerns that SunWater has not been consulting with them.
- Concerns that consultation by QCA is a myth. Issues brought forward by irrigators are just ignored by the Government which will ignore QCA price recommendations.