

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 them. As appropriate, issues will be addressed in the Authority's reports].

Scheme: Pioneer and Eton Water Supply Scheme

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Process Issues

- The timelines are insufficient to allow SunWater customers to adequately respond to the consultant reports' on SunWater's network service plans (NSP).

Technical Issues

- SunWater has proposed the Headwork Utilisation Factor (HUF) methodology to allocate costs between priority groups depending on the relative benefits to users. There is a question as to whether this calculation has been done with the fabri (inflatable) dams in place. If so, then the HUF calculation may need to be modified to reflect a changed future level of service.
- SunWater's NSP calculates dam storages on the basis of fabri (inflatable) dams being inflated. Therefore, the headwork utilisation factor that is being considered to allocate renewals should be adjusted to reflect lower medium priority supply.
- The amount of overhead and indirect costs apportioned to the scheme is high.
- Unutilised labour in other schemes should not be apportioned to other schemes.

Scheme Specific Issues

- The palm tree creek valve is faulty after many years. This is the fault of SunWater as irrigators suggested a workable solution in 2004. Therefore, the costs associated with rectification of the valve should not be recovered through the renewals annuity. All costs associated with the palm tree creek valve should be worn by SunWater due to the valve failures as a result of inadequate design, wrong valve selection, faulty valves or a combination of all.
- Question whether work relating to the Kinchant dam wall stability program is a dam safety expense and advocated that all Eton dam safety inspections and studies over last 5 years should be taken out of renewals costs since related to spillway upgrade.
- Water treatment costs are not recreation costs but water service delivery so should be taken out of bulk costs. Recreation costs are the bare minimum of costs to service bulk water needs only. If SunWater wants to do more and be good corporate citizen then this should be funded from SunWater profits not growers.
- Eton direct labour (and consequently overheads) doubles in 2011 and stays there. Why? Arup report for Eton states that an additional "New tech man" is to be employed for weed control at a cost of \$80k/a.