

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: Callide Valley WSS and Three Moon Creek WSS

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Scheme Specific Issues

Operating costs

- Question raised as to whether CS Energy costs are excluded.
- Lesser number of staff in the schemes means lower level of service. Staff number had been reduced from 30 to 15.
- Labour and materials should also decrease if direct labour is decreased
- If SunWater and the Authority's consultants undertaking the operating and capital expenditure review do not have sufficient cost data, then there is no way of knowing if their costs are prudent and efficient.
- Irrigators need more detailed cost breakdown to make submissions.
- Labour costs are so much higher relative to materials.
- Electricity costs are too high because of the presence of the Power Station.
- Claim that SunWater has more detailed costs breakdown, which the Tier 2 group used for their decisions. QCA should insist on getting these costs from SunWater.
- Weeds have been non-existent in the last 3 years, and weed control costs are therefore not justified.
- The labour escalation of 1.5% needs to be explained further.

Water delivery and usage

- SunWater's costs do not reflect that 2008 was a dry year.
- SunWater's promise of water delivery does not always eventuate and irrigators pay regardless. Note that diversion channels have not had much rain in the last 3 years and water is mostly groundwater.

Insurance

- Irrigators should not pay for insurance.

Indirect costs and overheads

- Indirect costs are too high.
- Questions arises as to why Brisbane overhead costs are included on top of that of Rockhampton.
- Brisbane office seems overstaffed and so far removed from issues in the schemes.

Renewals expenditure

- Background is required on 2008 renewals expenditure.
- Smaller schemes are not necessarily efficient because they have lower costs.
- Need an explanation why the scheme is in negative balance and for how long this has been the case.

Tariffs

- Cannot change part B tariffs in the schemes because water usage is only about 50% of the Water Access Entitlement.
- Paying fixed costs sends wrong signals for water use efficiency.