

THIRD 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: Chinchilla Weir WSS

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Pricing Framework

Tariff Structures

- The greater emphasis on Part A associated with the Authority's recommended prices is not appropriate. Irrigators do not support paying a high Part A in those years of little, or no, supply.

Water Supply

- Over the years water supply has been quite low. In reality, historically there has been quite volatile supply.
- Reliability varies in different parts of the scheme. Above the weir it's a different situation than compared to below the weir.
- Announced allocations cannot be used as they are available at the wrong time and are available only for a short period of time.
- The implications of the Chinchilla Beneficial Use Scheme providing up to 100 ML per day (up to 36,000 ML per year over the next 20 years) are significant and include:
 - irrigators that have a WAE associated with the Chinchilla Weir also have a contract to take water that is made available by the Chinchilla Beneficial Use Scheme. These irrigators are obliged to use water provided by the Chinchilla Beneficial Use Scheme *before* using their WAE. Accordingly, average use of WAE assumed by the Authority in formulating prices will likely be lower than current estimates;
 - from time to time the Chinchilla Weir will be used to store water made available by the scheme and this could have a consequence for the allocation of costs associated with maintaining the weir; and
 - if water provided by the Chinchilla Beneficial Use Scheme is not used, penalty charges apply, so there is a substantial incentive to use this water first. Average

use of WAE assumed by the Authority in formulating recommended prices, will likely be lower than current estimates.

- Queensland Gas Corporation should be allocated some of the costs associated with maintaining Chinchilla Weir.
- Western Downs Regional Council expressed concerns that the shift in costs away from irrigators in accordance with applying the HUF methodology could result in price increases in costs of town supply. Council originally contributed to the cost of the weir.