

## QCA irrigation workshop: issues arising

*[This note records issues identified and views expressed by stakeholders present at the meeting. The QCA is yet to form any opinion on these issues and views. As appropriate, issues will be addressed in the QCA's final report.]*

**Scheme/(s):** Central Lockyer Valley WSS and Lower Lockyer Valley WSS

**Location:** Atkinson Dam

**Date:** Thursday 10 October 2019

### Pricing framework

- View expressed that the pricing framework is overly restrictive and stated that the QCA should have greater flexibility in determining prices.
- View expressed that regional development needs to be taken into account in setting prices; they considered that the QCA had not taken account of the multiplier effect of employment in the irrigation sector, for the rest of the regional economy.
- Query as to what avenues were available to them should they disagree with the QCA's final recommendation to government.
- Stakeholders said that they do not make an income when water is not available. They noted that this was a high cost to the community.

### Apportionment of dam safety upgrade capital expenditure

- View expressed that all dams provide flood mitigation services. Query as to the basis for allocating 20 per cent of the irrigation share of dam safety costs to the broader community.

### Costs

- View expressed that scheme costs are not prudent and efficient as Seqwater incurs relatively high costs even when there is no water available.
- It was noted that some schemes including Warrill Valley WSS and Central Brisbane River WSS have a relatively low fixed (Part A) price compared to Central Lockyer Valley WSS and an explanation was requested for this.
- Concern raised with the cost per ML of water delivered in each of the Lockyer Valley schemes.
- Query as to whether a lower interest rate would reduce fixed (Part A) charges.

### Draft prices

- View expressed that it is unreasonable to expect customers to pay a price when no water is available. Stakeholders said they would be happy to pay a price so long as water was available. On this basis, they did not think the Part A charge was reasonable.
- Query as to why the government's referral notice does not allow for the rebalancing of tariffs between fixed and variable components.
- View expressed that the performance of scheme assets should be taken into account when setting Part A charges.
- Stakeholders from Central Lockyer Valley said that costs in the scheme should be allocated on the basis of yield for surface water, ground water and Morton Vale Pipeline customers.