

Review of RAB-based irrigation prices 2027-29 Mackay workshop – summary of issues raised

This note records issues identified and views expressed by stakeholders present at the QCA's initial workshop for this review. The QCA is yet to form any opinion on these issues and views. As appropriate, issues will be addressed in the QCA's draft report.

Schemes: Eton, Pioneer River

Date of workshop: 13 March 2026

Topic	Issues raised
Allowable costs	<ul style="list-style-type: none"> Some stakeholders stated that they had contributed to the construction of some assets in their schemes and sought clarification on the scope of the cost base to be recovered under the RAB approach.
Relative merits of RAB approach	<ul style="list-style-type: none"> Some stakeholders requested that any discussion of the relative merits of the RAB and annuity approaches distinguish between benefits for customers and benefits for the business.
Affordability	<ul style="list-style-type: none"> Some stakeholders were concerned that the full cost of supplying water (comprising water prices and broader irrigator costs) was becoming unaffordable.
Asset planning and management	<ul style="list-style-type: none"> Some stakeholders expressed concern that there may be less visibility of long-term renewals under the RAB approach.
Forecast uncertainty risk	<ul style="list-style-type: none"> Some stakeholders indicated they were willing to bear forecast uncertainty risk associated with long-term renewals, as they consider that the annuity sinking fund ensures they contribute their fair share to asset renewals.
Customer engagement	<ul style="list-style-type: none"> A stakeholder said that Sunwater had not provided sufficient information to support informed feedback.
Rate of return	<ul style="list-style-type: none"> Some stakeholders said that their schemes were originally built for community benefit and were not intended to generate profits. Some stakeholders also expressed concern about the risk of gold-plating under the RAB approach given the incentive to earn a rate of return.
Price stability	<ul style="list-style-type: none"> Some stakeholders said that prices may be more volatile under the RAB approach due to lumpiness of capex.