6 August 2026

Giru Benefited Area Committee
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Commentary from Giru Benefitted Area Committee – July 2026

To whom it may concern,

Our committee welcomes the opportunity to provide further commentary on the proposed change from renewals-annuity to regulatory asset-based pricing.

While the committee appreciates the QCA's provided further information and meaningful engagement with irrigators, our position remains that **a renewals annuity-based approach to developing irrigation prices is significantly more beneficial than the proposed shift to the regulatory asset-based approach to developing irrigation prices**.

Our committee has significant concerns with the definitions and proposed implementation of Capex (capital expenditure) and Opex (operating expenditure) defined under the proposed regulatory asset-based approach. The proposed shift to regulatory asset-based pricing is expected to have an immediate, lasting and detrimental effect on the stability of irrigation prices in the local Burdekin-Haughton Water Supply Scheme and other schemes in Queensland. This impact is predicted by our committee to significantly affect prices immediately and into the future. We present that RAB will likely cause cost fluctuations and lead to further unpredictability in operating costs for irrigators within the Giru Benefitted Area and across the state. As noted at p.7 of the *Review of RAB-based irrigation prices from 1 July 2027; Sunwater*, it is directly quoted that "In practice, actual prudent and efficient expenditure may differ from forecasts". When considering the long-term reliability of pricing under the current Renewal Annuities approach, this is a significant cause of concern for our committee and our irrigators.

When further referring to the current renewals-annuity based approach, a description of this approach states on p.6 of this report that "Smoothing the recovery of these costs over time is intended to limit significant fluctuations in price". With the provided definitions of Capex and Opex, as well as the broader RAB strategy outlined on p.7, it is the position of our committee that the RAB approach inherently places irrigators at risk of 'lumpy expenditure". This is anticipated by our committee to directly and adversely affect the profitability and viability of businesses who rely on commercial quantities of water in their operations. When considering an increasingly volatile economic environment with respect to agribusiness, alongside increasing costs and gradually tightening margins for the irrigators we represent, the change from a renewals-annuity based approach to a regulatory asset-based approach will likely lead to further stress for rural communities across Queensland, our irrigators and their respective businesses.

The committee would be pleased to assist the Queensland Competition Authority and Sunwater in this matter and are available, should you wish to discuss further.

Yours Faithfully,

Robert Stockham
On behalf of the Giru Benefitted Area Committee