

Hi Angus

I'm raising 3 issues for irrigators moving forward during this SunWater pricing review:

1. HP water for irrigators compared to HP others. The current proposal of HUFs put forward by SunWater doesn't deal with the impact on infrastructure utilisation during the period of critical water sharing rules and who pays for that service or Headworks utilisation cost. A very large % of system capture and yield is required to make water available during the periods when storages are at levels of critical water sharing. SunWater statements that all HP water is treated the same is correct until the critical water sharing rules are activated then it all changes. It should also be understood that HP allocations will be reduced leading up to the activation of critical water sharing rules so that non irrigation users can have water available for longer during the critical water sharing periods. The question for QCA is how do you pass on the cost of Headworks utilisation so that water can be made available during those times of critical water sharing and how much of the Headworks is utilised to deliver the benefits of this period. SunWater and DERM making all critical water share rules and levels available to water users and QCA would greatly enhance QCAs ability to deal with this issue as well as HP irrigators understanding what they purchased.
2. The cost of compliance and monitoring: The cost of compliance has always been stated as making up for a large part of SunWater's costs which was separated between HP and MP in water pricing under the water conversion factor set for pricing. The proposal of HUFs changes that so all compliance and monitoring is charged on a per ML basis regardless of priority. Compliance and compliance cost is brought about by system yield extraction, in SunWater's case, dams and weirs. It takes a lot more system yield extraction to generate 1 ML of HP water than it does 1ML of MP water and the allocation of the cost of compliance and monitoring should reflect this.
3. Prudence and efficiency of the Inter-safe Program. The board of SunWater is put in place by Government, with the board having put in place the Inter-safe Program without any interaction or consultation will water users who have been asked to meet the costs now and into the future. A very detailed review of the Inter-safe Program is required to establish its efficiency and prudence and to enable irrigators to have some confidence in the transparency of costs that can be imposed by the board in the future. The use of the renewals annuity to cover these costs also needs to be investigated.

Cheers

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