

## **FIRST 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 them. As appropriate, issues will be addressed in proposed Issues Papers and in the Authority's reports].

**Scheme:** Dawson Valley

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**QCA Contact:** Roslyn Wood(07 32220568, roslyn.wood@qca.org.au)

### **Process Issues**

- more notice of meetings required;
- process is a waste of their time as government does not have to accept QCA recommendations;
- the Synergies report contains errors;
- confidentiality of SunWater data is an impediment to transparency and fair pricing;
- time for the review (8 months) is not sufficient to assess and value all SunWater assets or for effective consultation; and
- QCA should not rely on data supplied by SunWater. Rather, it would be better to employ a local person to research and validate the information.

### **Technical Issues**

- relevant costs: concern that compliance costs associated with new environmental requirements and for assets not relevant to irrigation, such as fish ladders, will be included;
- cost allocation: allocation of costs to incidental uses such as recreation needs to be taken into account;
- capacity to pay: it was argued that the mining industry is far better placed to pay for infrastructure than the irrigators;
- water reliability: in addition to the impact of differences in notional and actual allocations, need to take into account the timing of SunWater's irrigation water releases as water is often not available when it is most required for cotton crops;
- form of regulation: need to take into account impact on SunWater's incentives to supply water;
- tariff structure: need to consider implications for different parts of the scheme (i.e. between upper and lower Dawson Valley); and
- return of capital: clarification is required of the impacts on charges of renewals annuities vs depreciation of assets;

### **Scheme Specific Issues**

- alternative to higher charges: in previous review, option of local ownership and operation was included. While a policy rather than a pricing issue, irrigators considered that they may be better placed to locally manage the Dawson Valley facilities than SunWater;
- water allocations: QCA review is being undertaken prior to finalisation of ROP and WAMP which will impact future water allocations and availability;
- capital costs: concerns about age of existing assets, cost of replacing existing assets, upgrades to meet new dam safety and environmental requirements and the allocation of these costs to customers;
- tariff structure: needs to account for high and medium priority users; and
- water reliability: conversion of medium reliability water to high reliability water and associated conversion factors needs to be addressed.