

## SECOND 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 these issues and views. As appropriate, issues will be addressed in the Authority's reports].

**Scheme:** Dawson Supply Scheme including distribution

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### Process Issues

- Timelines for submissions are too tight, especially since there is no cost information to comment on.

### Scheme Specific Issues

#### *Availability of cost information:*

- There are insufficient cost details in the NSP and in the consultants' reports to comment on, making it difficult to provide submissions.
- Need to know why SunWater did not provide to the opex consultant sufficient cost information, especially for the last five years.
- SunWater as a licence holder has responsibility to provide cost information like every licence holder.
- The Government has provided funding for SunWater to improve efficiency but nothing has happened.
- Scope of study is not detailed enough to identify efficiencies.

#### *Operating costs:*

- Too many asset and business planning systems of SunWater are costly to irrigators.
- Not comfortable paying for operating costs for services that may not eventuate.
- Maintenance costs are just band-aid costs.
- Electricity costs need to correlate with water use. This correlation needs to be discussed in the operating expenditure report.
- SunWater needs to show where operational efficiencies can be achieved.
- Labour force has been the same in Theodore whether water is available or not.
- Revenue earned by SunWater should be treated as a revenue offset.
- Millions of dollars are spent on distribution (area) to make it more efficient but the area is not being managed appropriately.

- Weed control – most of the spraying is done by SunWater staff.
- Need to look at efficiency of dollars spent compared to benefits derived.

*Indirect and overhead costs:*

- Indirect costs are too high at about 75% of total costs mainly from corrective maintenance.
- Need to explain why scheme incurs 75% of overhead and indirect costs.
- Need more explanation why SunWater put indirect costs and overheads in one bucket with schemes getting share of indirect costs and overheads of other schemes.
- Irrigation seems to be getting charged a greater share of SunWater's indirect costs and overhead costs.
- Head office costs up to 60% of area costs - this level is not appropriate for both bulk and distribution.

*Renewals:*

- Budget on renewals such as fences are Board-approved but are a massive overspend and need an explanation from SunWater.
- Irrigators do not fully understand what SunWater does with unspent budget for renewals.
- Need water utilities in the set of benchmarks.

*Compliance costs*

- Fish gates do not benefit irrigators. The community, which benefits from these should bear the costs.
- Costs for fish ladders are excessive at \$46,000 for each ladder.

*Tariffs*

- Variable costs are recovered by SunWater regardless of the level of efficiency of water delivery.

*Water usage*

- SunWater promised carry over water delivery of 1,000ML of water but only delivered 500ML. Needs more accurate prediction of its water delivery.
- Storage rental fee appropriate if it allows irrigators to carry over more water, and reduces frivolous carry-over applications from irrigators unlikely to use the carried over water.

*Distribution losses*

- SunWater is holding more distribution loss than needed and should not pass all the costs of distribution losses to irrigators.

- \$10/ML plus bulk costs is too much to pay.
- High priority water users benefit from high priority distribution losses and should pay for it and not irrigators.
- There are inconsistent methodologies for determining channel/distribution losses

*Consultation*

- SunWater needs to engage with irrigators when determining renewals.