

Hi QCA peoples.

Submission to the QCA on stakeholders' submissions on sunwater pricing

QCA costings Vs service

The cost of QCA doing this investigation and once the report is submitted to the minister for water?

The cost of this investigation is passed over the 4-year period of the price path, but if we have any questions in relation to what the QCA meant by any information in their report, we cannot ask the QCA about this. As the QCA does not have a standing remit to investigate rural water pricing issues outside of the investigation period as stated by Darren Page in an Email on 31/5/2022

Please note anyone reading this submission, The Qld Water Ombudsman has no authority over sunwater as it is a private company.

Pioneer river water scheme

Why was the cost of a government safety upgrade / downgrade pushed back on to the Water Allocation Entitlement (WAE) holders through the annuity plan as noted in the service performance plans,

The instruction for the removal of the Fabri-dams on the Pioneer system was issued by the Qld Coroner and pushed on to Sunwater, they then on charged this on to the WAE holders. Why is a safety upgrade not paid for by sunwater or by all Queenslanders though the government as this was a safety upgrade.

https://www.qca.org.au/wp-content/uploads/2019/05/34220_SunWater-Submission-Addendum-2019-Final-Network-Service-Plan-Pioneer-Bulk-Water-Service-Contract.pdf
page 18

With the removal of these Fabri-dams was there also a reduction in the total water holding capacity in the scheme?

Palm Tree Creek pipeline valve

Ever since the start of the Teemburra scheme the Palm Tree Creek pipeline outlet has been a bottomless pit with excessive amounts of money spent on a valve. As according to previous QCA reports, more than \$1,875,000 has been spent which is reported in fine detail. (2012/17 QCA report)

The recent service performance plan notes that another \$400,000 will be spent on this valve. Why is a valve that has had problems since early on, and thus should have been under warranty when the first problems occurred, still an ongoing problem?

A reason for this valve being so big is, that the original idea for this pipeline was to have the ability to put a hydro electric generator on the outlet, which has never come to fruition, as this has since pushed unreasonable cost on to WAE holders for no apparent benefit.

QCA Reporting

The Qld Treasurer forced via an Act, to issue a referral notice to investigate the monopoly powers of a private businesses. Where the Treasury Department contracts the QCA to investigate these prices, this Act is an investigation for the People of Queensland, to look at the dealings of a government owned corporation (Sunwater) and its monopoly power.

The above I have no problem with.

It seems the only shareholder that wants anything to do with the company is the Qld Minister for Water which is basically Sunwater directing the show as all problems get directed back to Sunwater.

Why is it when the QCA finalises its report for the Qld Treasury Department with its recommendations, they hand over the report to the Qld Water Minister to reword it for the ease of sunwater and put it into the gazette, thus the Treasurer takes a back seat and has little to no ownership over their equal shares and is just there to pick up a dividend. The water minister with sunwater can then at their whim implement only the parts of the report that fit their agenda.

Wasn't this act put in place to stop collusion between government organisations increasing government revenue. Getting away from what the original purpose was for these irrigation schemes, to grow the Qld Economy overall not that of a monopoly company.

If I want to find out the reason for changes made to the report prior to the gazette, no one will put up their hand and take ownership only to pass it along to someone else.

This has caused myself issues with trying to find what is meant by certain wording in the original QCA report, and the subsequent change of wording from the QCA report to the wording that the government then prints in the gazette. As no one in the middle is straight forward enough to make the claim that who made changes and the reason for making the changes as they all hide behind the government cloak of secrecy.

The ongoing increase in prices referenced to

Queensland competition Authority Act 1997

Part 5A Pricing of water

Division 2

Sub division 7

170ZI Matters to be considered by authority in making water pricing determination.

- (1) (j) the impact on the environment of prices charged by the water supplier;
- (p) economic and regional development issues, including employment and investment growth.

As with the increase in both electricity and water cost the overall price of water in irrigation schemes gets outside irrigators affordability line, thus exacerbating the decreasing water use trend. This increasing the underutilisation of water for environmentally beneficial purposes, such as decreasing the nutrient and chemical runoff as the irrigation cost seems beyond what irrigators are willing to pay for this benefit to the environment.

Decreasing the cost in the price of water would also allow for the increased in farm labour and community economic levels and increasing regional development which being able to maintain employees throughout the year would be highly beneficial.

This is also in line with the QCA Statement of regulatory pricing principles for the water sector the resource scarcity pricing, there currently is no scarcity of water and has not been for the last decade and water demand in the pioneer scheme is at best woeful, with single digit water utilisation, one WAE holder even investigated making a small hydro-electric scheme of his own to help offset some of his part A cost but could not get this to pencil out.

Eton - Mirani Diversion Channel

A reason for this submission in the price that Risk water allocation holders in the Eton 01 area get charged for water harvesting out of the Mirani diversion Channel.

I would like to note that we have been mentioned in previous price path investigations right back to the 2012 and this is great but after digging deeper into this it is only words in a QCA report.

In March 2022 after having earlier received a bill from sunwater for water harvested in prior billing periods, we finally started our email trail. As prior to this we had just dealt with Sunwater customer service personnel via phone calls and had been told that the price is correct and the billable amount for the water is the billed amount \$107.44/ML as this is the sum of the total cost of Parts A+B+C+D.

In 2008 after the passing of my grandmother my parents R and C Nicholson signed a contract along with R. Wheeler on behalf of sunwater, in this contract it states that they will be only charged the Volumetric part B when the water was used, and not the Fixed Part A of the water pricing, part B was \$15.29 in 2008.

We have not signed another contract since the 2008 contract.

In the 2012-17 QCA report the prices in the Eton scheme went from a Bundled (bulk/channel) price to an unbundled price, this was split into Bulk water / River (Parts A & B) and Eton distribution system (Parts C & D)

We did not want to be paying for distribution services on the outlet side of Kinchant dam as we don't utilise these services.

The Treasures referral notice to QCA in the 2020-24, was to make recommendations on water harvests prices as well.

Directions (1.1) Under section 24 of the Act, I direct the Authority to make recommendations about the following matters:

- (a) appropriate prices (including drainage prices, **water harvesting prices** and termination fees for relevant WSS) to be charged by the businesses for the period of 1 July 2020 to 30 June 2024
- (b) (the price path period) in relation to the monopoly business activities specified in paragraph A(1.2), subject to paragraph C(1.7).

We could see were included in the QCA's final report in detail as shown in the 2020/24 water pricing review -

Rural irrigation price review 2020–24 Part B: Sunwater

On the bottom of Tables 73 & 74

Table 73- Tariff groups with existing prices below the lower bound cost target, with the volumetric price below cost-reflective—bulk WSS (\$/ML, nominal)

in the Tariff group column reads - Eton (medium priority) ^a

This (a) denoted to the comments at the bottom of the chart which reads -

a includes High-B priority WAE and risk priority WAE.

Table 74 Tariff groups with existing prices below the lower bound cost target, with the volumetric price below cost-reflective—distribution systems (\$/ML, nominal)

in the Tariff group column reads – Eton ^a

This (a) on this table denoted to the comments at the bottom of its chart that reads.

a Includes High-B priority WAE and excludes risk priority WAE.

But the subsequent words that were posted in the QLD Gazette had minor changes in the denotes wording at the bottom of the pricing tables.

The Queensland Gazette dated 3rd July 2020 page 619.

Schedule 1 Bulk water supply scheme rural water prices (excluding tariff groups for local management supply)

Tariff group	Fixed (Part A)	Volumetric (Part B)
Eton (high B priority) [§]	\$31.36	\$4.05

This [§] on this table denotes to the comments at the bottom of its chart that reads.

[§] Name change from Eton (medium priority) to Eton (high B priority) to reflect actual priority level entitlement.

After forwarding the information onto sunwater they finally started looking into this at depth and came up with their own solution to a problem, that did not exist, and did not need to have excessive amounts money spent on it, as what they have basically came back to us with was external contract was outside of the QCA report, which now they are trying to get new clause put into the QCA report, but as they and other government departments stated to us that we are

outside of the QCA reports, please note that the Qld Treasury office has handballed us off to the water ministers department and then back on to sunwater

Once the QCA started there review (that annoying standing remit) I messaged Darren Page and asked if we were ever included in previous QCA reports tables and he agreed that we were as where I have mentioned above.

Mr Page was cc; into almost all emails I sent on these matters in the last 2 years.

It would be best if we were left alone and be include with the rest of the other groups in the QCA report so there is no need to have a separate section for us which will in the future have a continual spend of money in future reports. If they want to keep this outside of the main group of charges, can we see a breakdown of these charges as to what the reasons behind there price.

Kinchant dam burrow pits

These are holes in the ground that sit outside the wall of Kinchant dam, that were dug to assist in the building of the dam wall, these irrigators who use this water for irrigation agricultural purposes are a part of the Eton WSS are also charged the \$100+ figure per ML of water....

That is the parts A+B+C+D remember the unbundling of these cost in 2012 like mentioned above, these irrigators do not use any of the pumping services of sunwater, they don't use any of the HUFF facilities associated with the dam or channels, if they want to get water in a hole closer to them they facilitate this pumping themselves, would the inquiry be able to confirm what they are currently being charged and what would be a cost that is reasonable for them to be charged? It seems like sunwater can charge what ever they want with no quality reason behind this, I mentioned this at one of the early meetings with sunwater and I haven't seen it in any of their plans.

It would be best if the QCA made some insight at least into this, as it would help individuals push back against sunwater when they more then likely come forward with there pricing proposal outside of these reports, they are required to act reasonably in these contracts as stated in their supply contracts. Having some comments from QCA would be helpful for them.