

## QCA irrigation workshop: issues arising

*[This note records issues identified and views expressed by stakeholders present at the meeting. The QCA is yet to form any opinion on these issues and views. As appropriate, issues will be addressed in the QCA's draft report.]*

**Scheme/(s):** Callide Valley WSS, Three Moon Creek WSS and Upper Burnett WSS

**Date:** Tuesday 12 February 2019

### Government pricing principles

- Stakeholders wanted more certainty over prices in the future. There were concerns that fixed prices could jump to cost reflective after the price path period being considered in this review process.

### Dam safety upgrade capital expenditure

- One stakeholder raised concerns that the dam safety compliance obligations may change in the future, warranting further upgrades.

### SunWater's proposed costs

- One stakeholder was concerned that renewals costs are being incorporated into the renewals annuity, even though they may not go ahead. They wanted to know if they will be compensated for material variations between forecast and actual renewals expenditure.
- One stakeholder raised the issue that some assets may not be needed in the longer term, so it may not be worth upgrading them.

### Public interest matters

- Stakeholders wanted more information on how volumetric prices would transition to cost reflective, and whether this would happen within the price path period being considered in this review process.
- It was also noted that the change in volumetric prices varied across different schemes, with some facing large increases.
- Some stakeholders showed a preference for a transition to cost reflective volumetric prices to allow irrigators to adjust to price increases.
- One stakeholder indicated that if prices keep increasing it may be more cost effective for them to have their own dams and generate their own power.

### Other issues

- Stakeholders did not feel that irrigators should pay for the QCA regulatory fee, as it is not their fault SunWater is a monopoly.