

## Comments on Three Moon Scheme

### **1. Halcrow Report**

- a. The data available for analysis of the scheme is totally inadequate for the consultant to provide a full analysis of prudence and efficiency. Three Moon irrigators need to be able to review the final report to see whether data deficiencies have been addressed to allow an adequate investigation.
- b. Further analysis is required of operating cost forecasts to verify the basis for the forecast and the prudence and efficiency of operation costs. In particular questions raised re the causes for increases in operations costs over 2008-2010 years particularly as there was a reduction in local staff during this period.
- c. Have the efficiency gains effecting direct costs targeted in the 2008 initiative by SunWater been fully implemented. What are the implications of these efficiencies for Three Moon scheme
- d. The scheme has a significant ongoing negative renewals balance. What is the cause of the current negative balance. Further analysis is required of the forward renewals program to assess prudence and efficiency.

### **2. Deloitte's report**

- a. Have the efficiency gains effecting indirect and overhead costs targeted in the 2008 initiative by SunWater been fully implemented.
- b. Question whether the increasing centralisation of SunWater provides an effective approach for managing the scheme into the future.

### **3. QCA presentation**

- a. Concern about the implications of a high Part A tariff given the reliability of supply. Shifting this scheme to a high Part A tariff will be difficult to implement given that:
  - i. Water resource planning to clarify entitlement reliability, seasonal allocation rules and trading arrangements is unlikely to be completed until possibly 2 years into the new price path
  - ii. Irrigation farms are not geared to pay high up front charges for water
  - iii. High fixed charges are likely to work against efforts to efficiently manage the use of water to return the scheme to a sustainable level of use of the aquifers.
- b. Recognition of the implications of the State Government's recognition of Category 3 schemes.