

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 them. As appropriate, issues will be addressed in the Authority's reports].

Scheme: Burdekin Haughton and Bowen Broken Rivers Water Supply Schemes

Date: 05-April-2011

QCA Contact: Matthew Bradbury ((07) 3222 0575 or matthew.bradbury@qca.org.au)

Process Issues

- The timelines are insufficient to allow SunWater customers to adequately respond to the consultant reports' on SunWater's network service plans (NSP).

Technical Issues

- Should not have to pay for water unless using it.
- Should not pay for free Water Access Entitlement provided by SunWater. Either Government or SunWater should pay.
- In setting prices, historical distribution losses should be used rather than deemed distribution losses.

Scheme Specific Issues

- NQ Water has access to the distribution network but currently pay the bulk charge only. Costs should be apportioned to NQ Water in setting irrigation distribution prices.
- Which party pays for flood damage? When insurance recovers some expenditure, is this amount returned to the scheme specific renewals fund, or a central fund?
- Is the current level of centralisation of staff in Brisbane appropriate?
- Prices need to provide an incentive for SunWater to deliver water and to maintain assets in working order.
- The dam provides flood mitigation capacity, so some costs should be apportioned to the community.
- Need to ensure that SunWater has not included activities and expenditure in both bulk and distribution.
- Direct costs in the scheme have decreased but overheads have increased. QCA needs to ensure that costs of each item including its overhead allocation are competitive with private rates.
- A revenue offset in bulk NSP for profits from bulk customers will eliminate free water distortion