

**Submission on Sunwater's proposal
Nogoa Mackenzie Irrigator Advisory Committee
28 February 2024**

About the Irrigator Advisory committee (IAC): We are a group of irrigators with in the Nogoa Mackenzie scheme who have been elected by the irrigation customers to represent the interests of the broader irrigation customer base in relation to scheme operations and water supply issues and improvements with Sunwater. The initial analysis of the bulk and distribution services provided by SunWater in the Nogoa Mackenzie scheme illustrates significant increases in costs.

This initial submission outlines some of concerns which include, but are not limited to the following

- 1) Significant Price Increases – What are the drivers for such significant price increases that Sunwater have proposed?

- 2) Double-Dipping – Sunwater's Irrigation Price Path Proposal shows inflated prices for water according to CPI, then also says that prices indicate inflation PLUS CPI. Explain how price increases are justified.

- 3) Unrealistic and Inflated 'COVID' Prices – we wish to be assured that the unrealistic and inflated 'COVID' prices and practices are NOT used as a basis for future pricing.

- 4) Quoting Process – Investigate Sunwater's process for obtaining and accepting quotes for works to be carried out.

- 5) New Accounting System – Sunwater's proposal for the implementation of a new accounting system appears an excessive expense. Is it necessary? What other options have been explored for a more cost-effective outcome?

- 6) 52% over Budget – How did Sunwater get their expenses so wrong (52% out from budget)?

- 7) Insurance – What options have been explored for Insurance? Why was there a 21% increase in the 2023/2024 year with future predicted for 10.73% in 2024/2025? Has a 'self-insurance' option been explored around specific assets to reduce cost?

- 8) Meter Replacements – We are concerns about the lack of detail provided by Sunwater regarding their capital expense of \$300,000 for meter replacements.

- 9) CAPEX & OPEX Assumptions – Are Sunwater factoring in the LN1 and Selma Pump Station in their CAPEX and OPEX assumptions?

- 10) Bedford Weir Reconstruction – Is there still ongoing expenditure being outlaid? If so, is it required?

- 11) Electricity – What process and review system does Sunwater have/use to ensure the most appropriate and efficient electricity tariff is selected in relation to the Selma Pump Station? Sunwater must be held accountable for their electricity usage and be encouraged to implement more efficient practices.

- 12) Staff and Customer Engagement Costs – \$2.9M expenditure in customer support is not reflected in service delivery/customer support received in our region. Are Sunwater effectively training, recruiting and retaining staff? Should these excessive expenditures be passed on to Irrigators if the expense is deemed to be as a result of inadequate management practices by Sunwater?

- 13) Advertising/Marketing – Is Sunwater's advertising and marketing appropriate, efficient and targeted?

- 14) Gauging stations – Are they reliable? Unreliability of this infrastructure and the inaccuracy of feedback/data gained from these stations is a concern of the CHCH&IA.

- 15) QCA Review – We would like the cost of the QCA review to be removed from consideration. The cost of the review of the monopoly activities provided by Sunwater should not be borne by irrigators.

- 16) Viability – The QCA should give consideration to irrigators viability. Increasing water costs could result in irrigators becoming unviable into the future as the cost of production becomes too high.

- 17) Recreational Costs – we request the categorisation of the recreational facility/area costs to ensure that all relevant costs are excluded.