

Burdekin Haughton Water Supply Scheme – Distribution

Irrigation Price Path
1 July 2025 to 30 June 2029

We are developing a pricing proposal to submit to the Queensland Competition Authority (QCA) in late 2023.

The QCA will review this proposal in line with its requirements under the *Queensland Competition Authority Act 1997* and any conditions set out in a Referral Notice, before making a recommendation back to the Queensland Government.

Scheme overview



331,590 ML in entitlements,
with average annual usage of
215,598 ML



243 irrigation
customers

Major assets



Pump stations on Burdekin River -
Tom Fenwick / Val Bird Weir / Giru Weir
Clare A / Clare B / Clare B8 relift /
Dalbeg A / Dalbeg B / Dalbeg relift /
Elliot / Millaroo A /
Millaroo B / Millaroo relift

Key operations and maintenance activities



Electricity -
(participating in the
electricity cost
pass-through trial)



Concrete channel lining
refurbishments



Pump station
equipment and pump
refurbishments

Pricing tariffs



Three tariff groups - Burdekin
channel, Giru Groundwater & Gladys
Lagoon (other than from natural
yield), with fixed Part A & C charges
and volumetric Part B & D charges.



Channel harvesting, same as
volumetric Part D (from fees and
charges schedule)

How irrigation prices are set

A five-step price setting process leads to a four-year price path in each regulated scheme. There are differences in each scheme that impact pricing, such as risk entitlements, water harvesting or whether there is a scheme distribution system.

Price setting process

Step 1

Allocate revenue by charge type (variable or fixed)

Includes operating expenditure and annuity revenue building blocks.

Step 2

Allocate fixed revenue to priority group allocation buckets

Allocation factors are relatively static, only changing when scheme operating parameters change. For example, when entitlements are converted from one priority to another.

Step 3

Allocate fixed revenue to priority group

Apply the fixed revenue allocators to set the revenue requirement by entitlement priority. For distribution schemes, revenue associated with customer loss entitlements are added here.

Step 4

Calculate cost reflective prices

Cost reflective prices are set using assigned revenue and volumes to produce \$/ML prices.

Step 5

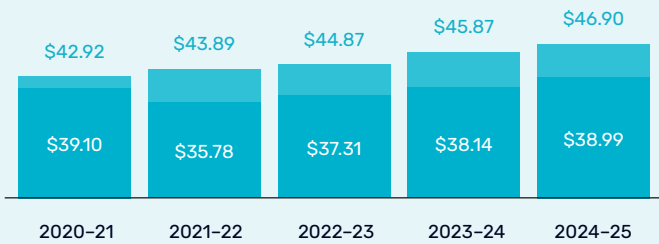
Determine recommended prices

Cost reflective prices are then smoothed across the four-year price path period to set target prices. Recommended prices are set with reference to current prices, target prices, and the price path principles.

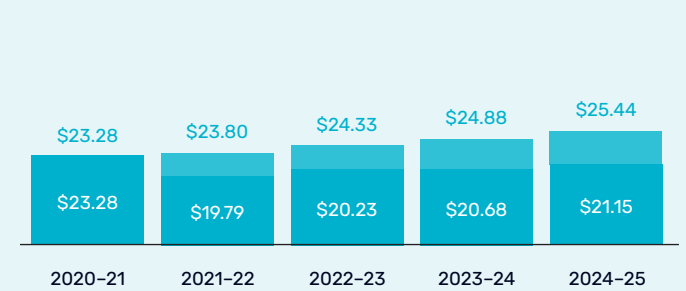
Pricing breakdown Medium priority (MP)

Part C

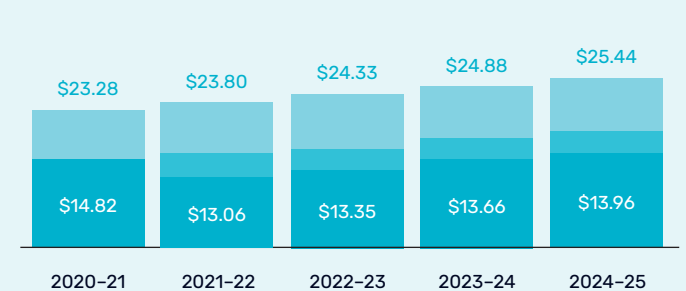
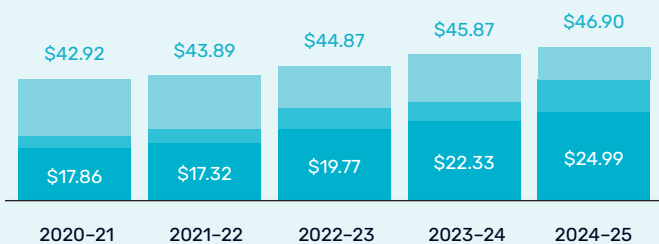
Burdekin channel



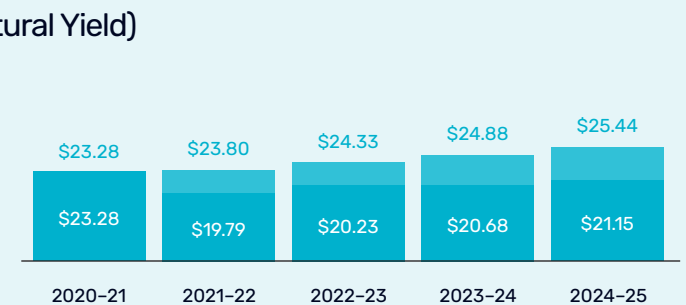
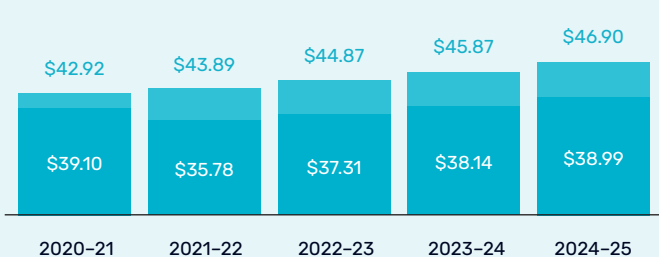
Part D



Burdekin channel - Giru Groundwater



Burdekin channel - Gladys Lagoon (other than Natural Yield)



Legend

- Price charged
- Price discount
- Transition discount
- \$XX.XX
- Cost reflective price

*This is a breakdown of current prices.

*A negative (or below the line) segment reflects the amount paid by customers that was above the lower bound cost reflective price.

Our commitment

Sunwater is committed to proactive and ongoing engagement with customers and acknowledges the feedback we have received over the past few years.

We are rolling out a three-stage engagement plan to share information on current and draft prices and seek feedback on our proposal.

As part of this, we will be holding customer forums in regional centres and ensuring that all project materials are available online.

We want your feedback

Stage 1

Learn how irrigation prices are set

March to May 2023

Learn how we are developing our pricing proposal and how you can be involved.

Stage 2

First look at draft future prices

June and July 2023

We will distribute Sunwater's proposed cost and price outlines for each scheme. We want your feedback, particularly in relation to:

- Electricity cost recovery
- Refreshing Service and Performance Plans
- How Sunwater recovers its renewals costs through prices.

Stage 3

Our pricing proposal

August to October 2023

Having considered customer feedback, our final proposal will be shared.

Stay informed

We will update our website as the project progresses.

www.sunwater.com.au/projects/price-path

Get in touch

pricepath@sunwater.com.au

sunwater