

# Chinchilla Water Supply Scheme

**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



4,049 ML in entitlements,  
with an average annual  
usage of 2,329 ML



23 irrigation customers

# Major assets



Chinchilla Weir

## Key operations and maintenance activities



Customer meter replacements to meet the Murray-Darling Basin measurement policy



Corrective maintenance activities to refurbish hydraulic counters



Comprehensive weir inspections

## Pricing tariffs



Single tariff group, with fixed (Part A) charges and volumetric (Part B) charges.



No other risk or other forms of entitlements or usage



# 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.

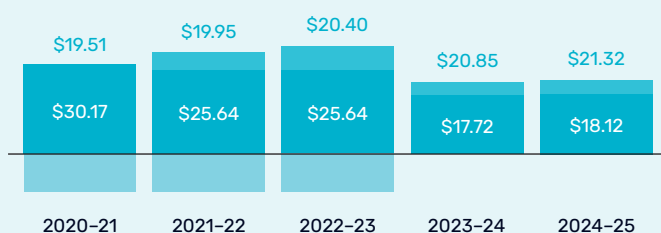
### Step 5

Determine recommended prices

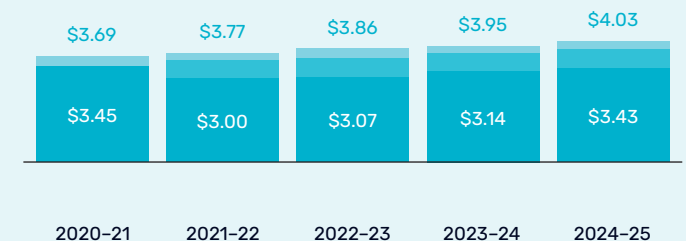
Cost reflective prices are then smoothed across the four-year price path period to set target prices. Recommended prices are set with reference to current prices, target prices, and the price path principles.

## Pricing breakdown Medium priority (MP)

### Part A



### Part B



#### 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 want your feedback, particularly in relation to:

- 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](http://www.sunwater.com.au/projects/price-path)

## Get in touch

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**sunwater**