

Date: Thursday 25 August 2022

Time: 9:00am – 11:00am

Location: Moura Tavern and Microsoft Teams

Attendees:

Representing customers: Michael Murray, Andrew French, Caitlin Loader, Greg Hutchinson, Simon Green, Mitch Anderson

Council members: Brooke Leo

Sunwater representatives: Daryl Conway (DC) (Operations Manager Biloela), Manesh Magan (MM) (Customer Engagement Lead), Marian Hart (MJH) (Yield & Planning Manager), Emily Caleo (EC) (Customer Engagement Advisor), Sarah McComber (Study Manager, Growth & Asset Creation), Matthew Pearce (Regulatory & Pricing Lead Customer), Michael Hughes (MGH) (Principal Water Resources Engineer), Keelie O’Sullivan (Stakeholder Relations Advisor)

Guests: Michael Moore (DRDWM), Scott Stevens (DRDMW), David Crisp (DRDWM)

Apologies:

Ian Becker, Ashlea Fitzpatrick, Scott Becker

Minutes:

Agenda items		
Item no.	item	Presenter
1	MEETING OPEN	MM
2	CARRYOVER UPDATE	MJH
3	PRICING AND REGULATORY	MP
4	SERVICE AND PERFORMANCE PLANS (*Postponed)	DC
5	NON-INFRASTRUCTURE PROJECT UPDATE	MGH
6	WATER PLAN REVIEW	DC (DRDWM)
7	IMPROVED WATER SECURITY	SM

Agenda items

8	MEETING CLOSE	MM
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1. Meeting Open

[Agenda item 1]

- Introductions around the room and online
- Sunwater provided an overview of the agenda
- Sunwater confirmed publishing of previous meeting minutes

2. Carryover Update

2.1 Update on carryover

- Sunwater confirmed that the application to extend the carryover period for the Dawson Valley WSS was submitted on 29th July 2022.

2.1 Questions and feedback

- What's the timeline for the Department of Regional Development, Manufacturing and Water (DRDMW) providing a response?
 - DRDMW indicated that they are hoping to provide a response in approximately 2-4 weeks.

3. Pricing and Regulatory

3.1 Introduction to pricing in the Dawson Valley WSS

Sunwater presented from [slide pack](#)

- Sunwater advised that we are preparing for Customer Engagement activities to support the Queensland Competition Authority (QCA) Irrigation Price Path (IPP) submission

4.1 Questions and feedback

- Why does the LMA get cheaper Part A prices than irrigators?
 - Sunwater advised that prices are transitioning to parity across the pricing period. The QCA recommended that prices reach parity across the four years of their review period. Government pricing directions post-QCA review included a one-year tariff freeze. This has the effect of pushing out the transition pathway by one year. The current price path therefore would see prices achieve parity in 2024-25, noting that prices in this year are yet to be set by Government.
- The CAC noted that they prefer the conversation to be focused on lower pricing for irrigators, rather than raising bulk and LMA prices to cost reflective levels.
- How can a scheme that has generated an average annual surplus (actual and forecast) in excess of \$2m over the past 5 years be below lower bound costs and thus incur a significant increase in prices above CPI?
 - Sunwater made the point that there is no link between the surplus or deficit shown in Table 6 of the Dawson Valley S&PP and the setting of prices for various customer groups.
 - Sunwater advised that irrigation pricing within the Dawson Valley seeks to recover prudent and efficient costs under an overarching principle of user-pays – consistent with the National Water

address: Green Square North, Level 9, 515 St Pauls Terrace,
Fortitude Valley, Queensland 4006

post: PO Box 15536, City East, Queensland 4002

ACN: 131 034 985

telephone: +617 3120 0000

email: CustomerEngagement@Sunwater.com.au

facsimile: +61 7 3036 6482

sunwater.com.au

Initiative pricing principles. Similarly, Sunwater does not apply cross subsidies across customer segments.

- When does the annuity get reviewed?
 - Sunwater advised that this is reviewed during the QCA price review process.
 - Sunwater are hoping to hear back from the department by the end of the month on the timing of the next review. There may be 1-2 years of rollover of prices at Consumer Price Index (CPI) level.
- The CAC queried expenditure required for the Moura off stream storage.
 - Sunwater noted that costs are driven up due to the requirement for this to be a referable storage. The SnPPs cover this in appendix 4 (for Moura and other assets). This will be covered in the next CAC meeting.
- The CAC queried what the percentage different of annuity would be if the storage was not referable.
 - Sunwater advised that this requires modeling which hasn't been done.
- Sunwater further reiterated that we only recover for costs through irrigation pricing. The main challenge is forecasting and actual expenditure aligning.

4. Service and Performance Plans

*Sunwater requested to postpone presenting this agenda item until the next CAC meeting.

5. Non-Infrastructure Project Update

5.1 Non- infrastructure project update

Sunwater presented from [slide pack](#)

- Sunwater noted long-list of options

6.1 Questions and feedback

- Sunwater advised that the GHD report will be made available to the CAC.
- Sunwater noted that the CAC are the drivers for the project. Questions and feedback from the CAC help inform robust conversations about what can and cannot be accomplished.
- Sunwater confirmed that they will be including information about this project (including timelines and considerations) to DRDMW in the preliminary public consultation in September for the Water Plan review process, however, the background work will not be complete at this time.

6. Water Plan Review

7.1 Review of the Fitzroy Water plan

DRDMW presented from [slide pack](#)

8.1 Questions and feedback

- The CAC queried if there will there be a consultation process with a Community Advisory Committee to discuss relevant issues?
 - DRDMW advised that, although this was established for the original water plan, there is no formal requirement for a Community Advisory Committee to be stood up. Feedback from submissions may indicate that there is a need for this and it will be considered during the draft plan development.

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- DRDMW advised that some current issues to be considered/addressed in the revised plan will be:
 - Rookwood
 - Rockhampton town water security
 - Unallocated water
 - Hydrogen industry development (HID) in central QLD
- The CAC enquired if the strategic reserve will be “moved” for other projects.
 - DRDMW advised that HID is very new and there has not been a position formed. This will be considered/reviewed as part of the Water Plan review process.
- DRDMW advised that any feedback will be welcome, both high-level and detailed. Submissions to be completed by 8th September and that the process for review of considerations for the revision of the Water Plan will be ongoing.
- The CAC queried if strategic infrastructure reserve will be able to be traded. These volumes could be factored into AAs, trading restrictions, changing to licensing and zoning etc.
- Can the Dawson Valley carryover rules be changed to something similar to Nogoia Mackenzie scheme where the water stays in the system and incurs losses throughout the year?
 - Sunwater advised that the non-infrastructure project will consider these changes, along with others, to be submitted as an issue to DRDMW for the plan review.
- The CAC queried if the Department of Environment and Science (DES) has released a new model yet?
 - DRDMW advised that this will not be completed for approx. 12 months.

7. Improved Water Security

9.1 Project update

Sunwater presented from slide pack

- Sunwater introduced the new Project Manager.

10.1 Questions and feedback

- The CAC queried if the Nathan Dam project was no longer being considered?
 - Sunwater advised that for the purpose of the project, the viability of a weir is being considered.
 - The demand assessment will indicate if there is the storage requirement for a Dam.
 - Sunwater advised that depending on the final design of the weir, there would potentially be scope to increase its capacity to a larger structure in the future.
- The CAC asked if historical data from past studies be utilised?
 - Sunwater confirmed that where historical data is relevant, this will be considered.
- Sunwater advised that Synergies will be completing the Demand Assessment Survey. Sunwater will send links to customers so that data is not being shared to a third party. The survey will be sent to customers in the next 2-3weeks.
- The CAC queried if a project email will be established?
 - Sunwater advised that feedback can be sent to CustomerEngagement@Sunwater.com.au. There has not been a project specific email set up yet but will be looked into.
- Council representatives requested consultation as well.
- The CAC queried how potential new customers will be included in the demand assessment survey.
 - Sunwater advised that previous requests from potential customers will be considered.

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- Sunwater advised that if any customers knew about new demand, to alert Sunwater during the demand assessment?
- As part of the project, as Sunwater considering road crossings that block the release of supplemented water through the system?
 - Road crossings are managed by Main Roads/Council and Sunwater has not authority over them.
 - Where inundation of a crossing occurs from a new structure, Sunwater will consider the impact of road crossings.
 - The Non-infrastructure project will look to identify these points and engage with Council on what is in place or being planned.
- Will the revision of the Water Plan consider water to be able to be transferred/traded back into the system from an off-stream storage?
 - Suggest customers Request for this to be included in their submissions to the preliminary public consultation on the Water Plan.

8. Meeting Close

- Request for the next meeting to start later (approx. 11am). November is a busy time for irrigation.

[10:48am]

9. Approval and Review

Chair:	Manesh Magan
Minutes:	Emily Caleo
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