

## Burnett Water Frequently Asked Questions

Question	Response
<b>SALE AND LEASE PROCESS for Water Allocations</b>	
1. How will the sales/lease process occur?	SunWater will post/email the Burnett Water Offer Document and Supply Contracts to the customer. The customer will need to complete the Offers Document and submit to SunWater stating the volume they require and the price which they want to pay for water purchases or leases.
2. How much water can I buy?	This is limited by the total volume available, the volumes within trading zones, and other offers received. However your use of water is restricted by factors such as your Land and Water Management Plan (if you wish to use the water for irrigation) and the announced allocation.
3. Do I need to own land to buy water?	No.
4. Do I need to be an existing customer or have an existing allocation to buy water?	No.
5. What will happen if there is excess demand in my zone?	SunWater will only sell up to the volume that the ROP states is allowable within each trading zone.
6. Can I buy some high priority water and some medium priority water?	Yes, but you are asked to submit separate Offer Documents forms for each.
<b>CHARGES in the river</b>	<b>Note that these are the river charges, payable by all customers with a Water Allocation, including those on the channel.</b>
7. What Part A and B charges will I pay for the water?	Please refer to the current Burnett Water Prices located on <a href="http://www.sunwater.com.au/water-allocations-for-sale-or-lease/burnett-water">www.sunwater.com.au/water-allocations-for-sale-or-lease/burnett-water</a>
8. Will new allocations be incorporated into existing allocations on my bill or will they be kept separate?	One bill, but separate pricing because of differing Part A pricing.

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9. If I lease the water, who pays the Part A and Part B charges?	If you lease the Water Allocation from Burnett Water in addition to your lease charges, you will pay Part A charges on the entire volume you lease and Part B charges on the volume you use.
10. What will happen to the 'new' water charges if the 'old' water charges change with the pricing review?	<p>The Supply Contracts and this Information Package contains details of how the Part A for new water may be changed.</p> <p>Because Part B is the same for 'new' and 'old' water, any change in "old" Part B arising out of the review will also need to change and the Supply Contracts provide for this.</p>
11. How often will the annual charges of the 'new' water change?	<p>The charges will be adjusted by CPI annually for the first 15 years. However, after 10 years, the Part A charge will be adjusted for increases in operating costs on the basis that the difference in Burnett River Dam lower bound (without interest) costs between 2006 and 2016 is added to the year 10 annual charges, adjusted for inflation.</p> <p>At 15 years, the price will be reviewed. There will be provision in the Supply Contracts for a pass through of any costs associated with any change in law.</p>
12. Do I have to pay for the water up-front or can I pay for it in installments?	Up-front, 5% deposit on lodgement of an offer to purchase and the balance at completion. You will be given the option of nominating volumes you wish to purchase at certain times in the future. Additionally, a lease arrangement can be provided for those volumes until those volumes are purchased at a later date, if you wish to access the entire volume from day 1.
<b>CHARGES for channel distribution</b>	<b>Note that you will also have to pay river charges for your Water Allocation.</b>
13. Why do I have two separate sets of charges – one for the river and one for the channel?	To clearly identify the charges as they relate to the asset producing the service. The Burnett River Dam creates the Water Allocation; the channel system delivers the water to your business.
14. What access do I have to the distribution system if I buy some water?	You can access the distribution system in two ways – through a service that will delivery your water at any time, subject to channel design capacities. This is called a 'peak' distribution service. Alternatively, you can choose an 'off-peak' distribution service, where your water will not be able to be delivered during 'peak' times, but the service is cheaper. You are required to choose one of these services.

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<p>15. What charges do I have to pay for the delivery service?</p>	<p>There is an access charge to the distribution system, called a distribution service; these can be view on <a href="http://www.sunwater.com.au/water-allocations-for-sale-or-lease/burnett-water">www.sunwater.com.au/water-allocations-for-sale-or-lease/burnett-water</a>.</p> <p>There are also Part B and Part C annual charges: Part C varies between sub-systems and Part B is the same as for the channel component of the 'old' water. Remember, you also have to pay the river charges.</p>
<p>16. If I buy an 'off-peak' distribution service, how often throughout the year will I be able to get my water delivered?</p>	<p>An 'off-peak' distribution service entitlement means that the Water Allocation can be taken when there is spare capacity in the distribution system after those with 'peak' Water Allocations have their flow requirements (up to design) met on a particular day. It is difficult to quantify the times that 'peak' capacity may occur, because the demand for the delivery service is dependent on many factors e.g. crop type, weather, season, water availability, land planted, etc. All these factors are changeable. However, an analysis of historical performance can be a guide to what can be expected in the near future. To allow prospective buyers of 'new' water and distribution services to make their own assessment of the opportunities for the delivery of 'new' 'peak' and 'off-peak' water in the distribution system.</p>
<p>17. How do I know how much 'peak' allocation is available in my channel?</p>	<p>Volumes of Water Allocations that can be delivered at 'peak' and 'off-peak' times have been calculated at many points within the delivery systems. The capacity of the branches of the system have been assessed to ensure that these volumes can be delivered with reliability and any congestion arising can be managed.</p>
<p>18. How will SunWater know that I have bought an 'off-peak' distribution service?</p>	<p>The Water Allocation you purchased or leased will be tagged in our database with an 'off-peak' tag. The Supply Contracts that you have with us will also identify this Water Allocation as having an 'off-peak' tag. Similar tagging will occur for a 'peak' Water Allocation.</p>
<p>19. Can I shift my water out of a channel system into the river and what happens to my distribution service?</p>	<p>A holder of a tagged ('peak'/'off peak') Water Allocation can trade or move the water out of the distribution system and into the river. In this case, exit fees will be considered on a case-by-case basis, and the tag on the Water Allocation will be removed.</p>
<p>20. Can I shift my water from one channel to another and what happens to my distribution service?</p>	<p>If a holder of a tagged Water Allocation wishes to trade or move the Water Allocation within the distribution system, then SunWater approval must firstly be sought. SunWater will assess whether the system has the capacity at the new location to accept the new Water Allocation. Charges will remain the same.</p>

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<b>USE OF WATER</b>	
21. When will the allocation be available for use?	Upon completion of the transfer or when the lease commences. Availability will be subject to water availability and the announced allocation. You will need a Land and Water Management Plan for irrigation.
22. What is the ROP	The ROP is the Burnett Basin Resource Operating Plan which is a DERM controlled document that sets out the rules applying to SunWater and to water users in the use of the Burnett and Upper Burnett Water Supply Systems. A copy of the document is available from the DERM website. <a href="http://www.derm.qld.gov.au/wrp/pdf/burnett/burnett_rop.pdf">www.derm.qld.gov.au/wrp/pdf/burnett/burnett_rop.pdf</a>
23. What happens if my Land and Water Management Plan is not approved and I have bought water?	You remain committed to the lease or buy arrangement and the Supply Contract(s).
24. Can the new Water Allocations be traded?	Yes, subject to the <i>Water Act</i> , the Resource Operations Plan and the Water Resource Plan. You should also consult SunWater if you are considering trading into or out of the distribution system.
25. Will the water be of a high quality	The water quality is governed, as it is now, by the water in the river. SunWater makes no guarantees about water quality so it is important that before you buy water that you check whether the quality is likely to suit your intended purpose.