

Upper Condamine Customer Advisory Committee

Date: 13 June 2024

Time: 1:30pm

Location: Madelaine St, Brookstead

Customer representatives: Fraser Bligh, Lindsay Krieg, Paul McMahon

Sunwater representatives: Craig Cahill, Darrel McKinlay, Keelie O'Sullivan, Stuart Dix, Matthew Pearce

Minutes:

Agenda items		
Item no.	Item	Presenter
1	Meeting open	Craig Cahill
2	Operations update	Craig Cahill
3	Customer insights on climate action	Stuart Dix
4	Updated CAC Terms of Reference	Keelie O'Sullivan
5	General business	Craig Cahill
6	Meeting close	Craig Cahill

1. Meeting open

- Acknowledgement of Country.
- Sunwater gave an overview of the agenda.
- Attendees were introduced.
- Minutes of previous meeting accepted.

2. Operations update

- Sunwater presented the Operations Manual (OM) amendment, dual purpose meters, storage behaviour, water usage and the South Region's organisation structure.
- Sunwater advised the Operations Manual (OM) amendment is progressing. The Department of Regional Development, Manufacturing and Water (DRDMW) recently advised that Sunwater should have approval by the end of the month.
- Following approval, subdivision of the water allocation will be undertaken to retire the water allocation from active use. It will remain in the system but not for active use.
- Sunwater advised 53 dual purpose meters need to be installed by March 2025 and some may need major work.
- Sunwater secured funding to install the point orange devices at no cost to customers for simple installations.
- To close an action from a previous meeting, Sunwater presented the organisation structure of the South Region. The organisational chart includes an entry level operator supporting a storage supervisor, this is a succession position for Leslie Dam operations as well as Upper Condamine operations.
- Customer queried the reporting requirements of operations staff. Sunwater confirmed there are requirements that must be adhered to, especially as it is a Government Owned Corporation.

3. Customer insights on climate action

- Sunwater presented the impacts of climate change in Queensland, the Queensland Government's renewable energy and greenhouse targets and the direction that some corporate agricultural businesses are going. Sunwater is interested in understanding customers' perspectives on carbon neutrality.
- Sunwater has not disclosed greenhouse gas or renewable energy targets but will be subject to Federal Government reporting requirements.
- Sunwater is reviewing its climate actions compared to water industry peers and State and Federal Government commitments.
- Electricity represents Sunwater's third-highest operating expense, following personnel costs. The favourable tariffs currently in place are a result of the whole of government negotiation process previously undertaken. This agreement is scheduled for renewal next year, and it is evident that there has been a significant shift in pricing.
- Customer commented that as we head closer to 2050, action on climate change will be difficult to avoid.
- Customer commented implementation of renewable energy for pumping may not be a practical investment given the infrequent usage of the pumps.
- Sunwater commented that while we have installed rooftop solar at depots and fixed assets, where prudent, it's not in the business of operating large scale power stations. If Sunwater opted for increased renewables it would be through green electricity available from the electricity network.

- Customer noted the demand on Sunwater's pumps is high, but as demand increases the electricity network will become greener.
- Customer noted that while European's are moving towards carbon neutrality, creating trade barriers, this shift has not yet affected bulk commodities like cotton and grain. It is expected to influence trade in the next 15-20 years.
- Sunwater asked about the immediate relevance of carbon neutral water to customers. Customers stated carbon neutral water it is not currently necessary but are open to Sunwater investigating this option upon request.

4. Updated CAC Terms of Reference

- Sunwater explained approach to standardise the CAC Terms of Reference (TOR) across the state. Key changes include:
 - Update to the objectives to reflect our strategic goal as a "stakeholder-centric" business. Previously, the Upper Condamine TOR reflected the "foster supportive stakeholders" strategic goal.
 - Refined 'topics discussed' list (previously listed under Role of the CAC).
 - The previous TOR said we would meet quarterly however that has been changed to three times per year unless the committee decides otherwise.
 - Chair can be a customer or Sunwater employee.
 - Notice of cancelling attendance at meeting extended from two hours to 24 hours.
 - Agendas will be sent five business days prior (previously 10 business days).
 - Meeting minutes to be shared with committee within 20 business days of meeting (previously as soon as practical).
 - Media protocols remain the same – customers must direct media enquiries to Sunwater.

5. Local cost breakdown

- Sunwater presented the cost breakdown of the base year presented to customers during 2023's Irrigation Price Path engagement. Sunwater advised that while it wasn't able to present this information during IPP engagement it has been working on cost breakdowns to provide further information to customers.
- Customer asked for examples of support costs. Sunwater stated that examples include:
 - Executive General Managers and their immediate support staff,
 - Energy Advisory function
 - Regional Operations staff,
 - depots and offices and
 - delivery of new ICT infrastructure and assets
- Customer queried how ICT is apportioned to a scheme. Sunwater advised it is apportioned by direct labour costs, that is staff hours booked against the service contract. Sunwater highlighted the rates are not set at full cost recovery levels. The rate is set rate below the full cost recovery level. Typically, Sunwater carries a loss.
- Customer asked how flood costs are apportioned. Sunwater advised it is flood management costs are not related to direct labour costs as above. The Flood Room and Operations Centre is split across the schemes. The cost allocation is assessed by the QCA. The QCA's draft report is expected to be released the first week of July. Cost allocation approach has not changed since last review. We will have more clarity on whether they make changes to this when they release the draft however, customers can always provide feedback to Sunwater and to the QCA during the current review process.

- Customer queried how Headworks Utilisation Factor (HUF) gets split for town water. Sunwater noted the HUF for High Priority allocations is significantly higher because of the way costs are shared.

6. General Business

- Customer queried about the State Government timeframes on dual meters. Sunwater confirmed by March 2025 53 meters required validation. Validation was planned to be completed inhouse. Point Orange devices will be installed at the same time with customer access to the portal available in the future.
- Next meeting preferred early October in Leyburn.

7. Meeting close

Meeting closed at 2:40pm.

8. Approval and review

Chair:	Craig Cahill
Minutes:	Keelie O'Sullivan
Date:	20 June 2024