

Burdekin Haughton Customer Advisory Committee

Date: Thursday 4 December 2025

Time: 9:00am - 10:30am

Location: Sunwater Clare Office, Cnr Satchel and George Streets CLARE

Attendees:

Customer representatives: Tom Wallwork (online); Mario Barbagello; Greg Watson; Robert Stockham; David Sartori; Terry Granshaw; Ariane Leyden

Sunwater representatives: Aaron Elphinstone (Operations Manager Burdekin and Whitsundays); William Weaver (General Manager North); Sarah O'Grady (Stakeholder Relations Advisor) (online); Natalie Bain (General Manager Customer and Stakeholder Relations); Matthew Pearce (Head of Regulatory and Pricing) (online); Kayleen Walsh (Sunwater Board Member)

Invited guests: John Pierotti

Apologies: Sam Forzisi; Jo Martin; Pierina Dalle Cort

Minutes:

Agenda items		
Item no.	Item	Presenter
1	Meeting open	Aaron Elphinstone
2	Customer engagement	Sarah O'Grady
3	Regulated asset base (RAB) Irrigation Price review	Matthew Pearce
4	Service and Performance Plans (S&PP) - Burdekin Haughton	Aaron Elphinstone
5	General business	Aaron Elphinstone
6	Meeting close	

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1. Meeting open

Meeting opened at 9:00am. Following introductions, Kayleen Walsh was welcomed as a new Sunwater Board member and Chair of the newly established Irrigator and Water Customers Committee. Sunwater noted completion of actions from previous meeting.

2. Customer engagement

Sunwater provided an overview of the CAC member survey and revised Customer Advisory Committee (CAC) Terms of Reference (ToR).

- **Member comment:** Member expressed concerns about not being able to share information from CAC meetings with other customers.
- **Sunwater response:** Sunwater clarified CAC members are permitted and encouraged to share information - such as meeting minutes and presentations - with other customers. The recent update to the ToR specifically relates to the use of digital tools and their outputs. To protect individuals' privacy, Sunwater does not allow the use of these tools for recording meetings or sharing meeting recordings and transcripts, as people may be identifiable in those formats.

3. Regulated asset base (RAB) Irrigation Price review

In response to the Queensland Government's consideration of a RAB methodology for renewals recovery, Sunwater presented on the review's purpose, scope and key dates; the Queensland Competition Authority (QCA) methodology and the significance of closing annuity balances.

- **Member question:** Member asked whether the capitalisation policy - and Sunwater's suggested changes to it - would be made available to CAC members.
- **Sunwater response:** Sunwater confirmed the policy will be included in its proposal to the QCA, providing irrigators with an opportunity to review and comment. The QCA's guidelines require the policy to align with accounting standards and Sunwater will address any feedback the QCA provides during its assessment.
- **Member question:** Member noted some works in the annuity program have been treated as operating expenditure (opex) and have been lumpy in nature. They asked what proportion of works this represents and what impact it would have on opex prices.
- **Sunwater response:** Sunwater advised approximately 50 - 60% of works under the current annuity are classified as opex. Preliminary analysis indicates that circa 95% of works currently included in the annuity would be capitalised under the proposed approach. Sunwater emphasised its commitment to avoiding unnecessary price fluctuations and lumpiness.
- **Member comment:** Member noted Sunwater may face pushback on the Weighted Average Cost of Capital (WACC) as there is a risk premium included in the WACC that Sunwater receives.
- **Sunwater response:** Sunwater explained the WACC already applies through the annuity and most service contracts are currently paying a WACC interest component. Sunwater has limited influence over the WACC rate as it is set by the QCA. Any concerns regarding WACC as an element of the pricing framework would need to be raised with the Queensland Government.
- **Member question:** Member asked whether Sunwater's 30-year forecasts can account for future advancements such as Artificial Intelligence.
- **Sunwater response:** Sunwater noted long-term forecasting is challenging, particularly in estimating costs. The use of the RAB approach helps reduce the need for detailed 30-year forecasts.

- **Member comment:** Member expressed interest in reviewing expenditure over the past 25 years and modelling those figures under the RAB approach. They noted under the RAB, Sunwater would earn a return through the WACC, which is about three per cent higher than inflation. While most schemes currently pay WACC, Burdekin Haughton Water Supply Scheme (WSS) does not because it has a positive balance. The member also highlighted taxation obligations while acknowledging these are matters for Queensland Government, suggesting Sunwater raise these issues with it. They noted they want the scheme to be sustainable.
- **Sunwater response:** Sunwater explained the graph showing Burdekin Haughton WSS's positive balance reflects a point in time, and there will be periods when the Burdekin Haughton WSS has a negative balance. Under both methodologies, Sunwater can earn a return on equity through the WACC and both approaches include the possibility of a tax allowance. Sunwater benefits from federal tax provisions, allowing full depreciation of capital expenditure and the ability to carry forward tax losses, which creates a tax shield. Regarding the appropriate rate of return, Sunwater noted it borrows funds from State Treasury - effectively from the people of Queensland - to continue delivering services. Treasury allocates funding across competing priorities such as roads, health and irrigation. If one sector does not pay the same rate as others, it could reduce investment in that sector. Additionally, Sunwater bears risk as there is no guarantee it will recover money spent if projects do not meet expectations.
- **Member question:** Member asked whether Sunwater could show on the RAB Irrigation Customer Invoice Calculator (calculator) interest paid during the period and any taxation.
- **Sunwater response:** Sunwater acknowledged these points and will work through how best to address them. Sunwater to check the link to the calculator is working. **ACTION**

Action response: Sunwater can confirm the webpage link to the calculator is working.
- **Member question:** Member asked whether other states' water suppliers operating under a RAB approach are primarily bulk water suppliers or distribution providers.
- **Sunwater response:** Sunwater noted most water utilities operating under a RAB approach are bulk water or urban water providers, although some, such as Goulburn-Murray Water, also manage distribution. For government-owned entities with access to State Treasury borrowing, the RAB model can work effectively. However, for grower-owned organisations, where borrowing is more challenging, the RAB methodology is generally not used because they lack access to Treasury funding.
- **Member question:** Member asked whether Sunwater has engaged with Coleambally Irrigation, which operates an 80-year annuity, to understand how they manage it.
- **Sunwater response:** Sunwater confirmed it hadn't spoken to this stakeholder.
- **Member comment:** Member expressed concern that under the RAB approach, Sunwater only needs to forecast four years ahead, which could create a "cliff" if future requirements are unknown. It noted the QCA has previously criticised Sunwater's long-term planning. Under the annuity approach, Sunwater is required to plan 30 years ahead, providing greater visibility.
- **Sunwater response:** Sunwater explained it undertakes regular consultation, and under the RAB approach customers would continue to have opportunities to review asset management plans and maintain oversight of long-term planning.
- **Member question:** Member asked whether forecast efficiencies - resulting from anticipated asset management improvements - have been incorporated into the calculator.
- **Sunwater response:** Sunwater noted the calculator is indicative only. The first two years represent a meaningful forecast because those costs are already set and have been reviewed by the QCA. Beyond that, the figures are based on expenditure recommended by the QCA during

the 2025 review; however, these forecasts will be updated in a few years. As a result, the figures shown for later years on the graph are subject to change.

- **Member question:** Member asked whether any funding for bulk assets comes from the Federal Government.
- **Sunwater response:** Sunwater noted the Queensland Government pays for dam safety capital upgrade expenditure on behalf of irrigation customers.
- **Discussion:** Further discussion about funding sources. Sunwater confirmed it assumes customers pay for all costs related to operations, maintenance and renewals unless told otherwise.
- **Member question:** Member asked whether the upcoming survey (scheduled for release in 2026) will focus on how quickly customers want their money returned for their scheme.
- **Sunwater response:** Sunwater confirmed the survey will ask customers with positive balances how quickly they would like their money returned and for customers with negative balances over what period they prefer to repay it.
- **Member question:** Member asked what's fundamentally flawed about the annuity method that warrants the proposed change.
- **Sunwater response:** Sunwater explained the annuity approach does not function as intended particularly with major flood events and unexpected failures as these are hard to predict. The fixed 30-year period is problematic because it does not smooth costs based on actual asset life and accurate long-term forecasting is difficult. The RAB methodology is considered fairer as it allows Sunwater to provide more accurate four-year forecasts. Under the RAB approach, Sunwater would still prepare and share long-term plans with the Queensland Government and Treasury, but these plans would serve as directional guidance rather than detailed forecasts.
- **Member comment and question:** Member noted insurance should cover events such as floods and major failures. They asked whether Sunwater plans to exclude insurance on its distribution and bulk schemes.
- **Sunwater response:** Sunwater noted it aims to strike the right balance by setting a deductible at a meaningful level. If the deductible is too low, every event would trigger a claim resulting in significantly higher premiums. Sunwater regularly reviews its insurance arrangements with providers to ensure appropriate coverage and pricing. Currently, the deductible is high, meaning many smaller events are not insured. For major events exceeding the deductible, costs are not passed on to customers. However, customers are responsible for costs below the deductible threshold.
- **Comment:** Member observed local management boards are experiencing challenges like those faced by Sunwater and are leaning toward the annuity approach, as it offers greater confidence in addressing intergenerational issues.
- **Member question:** Member asked whether Sunwater has included explicit assumptions (such as inflation) in the calculator.
- **Sunwater response:** Sunwater confirmed these assumptions have not yet been included in the calculator but will be added. **ACTION**

4. Service and Performance Plans (S&PP) - Burdekin Haughton

Sunwater provided an overview of the S&PP Burdekin Haughton 2025.

- **Member question:** Member queried if there was a “catch-up” of costs at the end of the Irrigation Price Path (IPP).
- **Sunwater response:** Sunwater explained it does not recover all costs at the conclusion of the IPP.

5. General business

Sunwater provided an overview of the Irrigation Pricing Rebate Scheme (administered by QRIDA) and the Lower Burdekin Rising Groundwater Project newsletter.

- **Member comment:** Member expressed concerns about the carryover rules for the Burdekin Haughton WSS.
- **Sunwater response:** Sunwater advised it has raised customer concerns with the Department of Local Government, Water and Volunteers, which is currently conducting a statewide review. Sunwater will keep customers informed as the review progresses.
- **Member comment:** Member raised concerns about the operation of drain RH5 and the significant volume of water flowing through it during rainfall, noting this did not occur previously.
- **Sunwater response:** Sunwater noted it would investigate the issue. **ACTION**
- **Member question:** Member asked about the use of copper sulphate for weed management.
- **Sunwater response:** Sunwater confirmed plans to conduct a trial using copper sulphate and is also investigating alternative options, although of those identified to date none are currently available in Australia.
- **Member question:** Member enquired about the condition of the channels and weed control measures.
- **Sunwater response:** Sunwater explained the water is currently very clear promoting weed growth, however Sunwater has recently completed a round of acrolein treatment and plans to commence another round in the new year.
- **Member question:** Member requested additional information / content to help explain billing.
- **Sunwater response:** Sunwater noted it had previously discussed creating a video with the Customer Accounts team and would follow up with them. **ACTION**

Action response: Email issued to CAC members on 4 December to advise resources are available on the Sunwater website that explain how to read customer invoices and water statements:

1. [Managing your Account - Sunwater](#)
2. [Guide to Reading Your Invoice & Statement](#)

Sunwater requests members to advise by 19 December what additional information would be most valuable to customers.

6. Meeting close

Meeting closed at 10:55am. Next meeting scheduled for April.

7. Actions

Action item	Owner	Status
Sunwater to check the webpage link to the RAB Irrigation Customer Invoice Calculator is working	Sarah O'Grady	Completed. Email issued on 4 December to confirm calculator is wording and can be accessed here .
Sunwater to add assumptions to the calculator	Matt Pearce	In progress
Sunwater to investigate the operation of drain RH5	Aaron Elphinstone	In progress
Sunwater to follow up with Customer Accounts team about creating a billing explainer video	Sarah O'Grady	Completed. Email issued on 4 December to advise resources are available on the Sunwater website that explain how to read customer invoices and water statements: Managing your Account - Sunwater Guide to Reading Your Invoice & Statement Sunwater requests members to advise by 19 December what additional information would be most valuable to customers.

8. Approval and review

Chair:	Aaron Elphinstone
Minutes:	Sarah O'Grady
Date:	12 December 2025