

## Nogoa Mackenzie Customer Advisory Committee

**Date:** Tuesday 25 November 2025

**Time:** 1:00pm - 3:00pm

**Location:** St Luke's Anglican Church, 40 Theresa Street EMERALD

**Attendees:**

**Customer representatives:** Neek Morawitz, Robert Ingram, Peter Galea, Cameron Geddes, Kaela Urquhardt, Taylor Pressler, Misha Grayson (FIN) Dan Pymble (FIN), Nathan Litzow (CHRC)

**Sunwater representatives:** Colin Bendall (Executive General Manager – Operations), Craig Cahill (General Manager – Fitzroy), Bailey McBeth Cooper (Operations Manager), Letisha Lim (Manager, Stakeholder Relations – Operations, online), Caley Pearce (Stakeholder Relations Advisor, online), Kylie Thompson (Commercial Customers Manager, online), Megan Shea (Water Security & Policy Manager, online), Jenelle Bartlett (Water Security & Policy Advisor, online).

**Department representatives:** Ariane Leyden

**Council representatives:** Nathan Litzow

**Apologies:** Scott Stevens (DLGWV)

**Minutes:**

| Agenda items |  |                      |
|--------------|--|----------------------|
| Item no.     | Item   | Presenter            |
| 1            | Meeting open                                       | Bailey McBeth Cooper |
| 2            | Previous meeting overview/ actions                 | Bailey McBeth Cooper |
| 3            | Region Update – Fitzroy                            | Craig Cahill         |
| 4            | Regulated Asset Base (RAB) – Irrigation Price      | Matthew Pearce       |
| 5            | Nogoa Mackenzie Service & Performance Plans (S&PP) | Bailey McBeth Cooper |
| 6            | Operations Update                                  | Bailey McBeth Cooper |
| 7            | Water Security and Policy Update                   | Megan Shea           |

| Agenda items |                            |                      |
|--------------|----------------------------|----------------------|
| 8            | Customer Engagement Update | Caley Pearce         |
| 9            | General business           | Bailey McBeth Cooper |
| 10           | Meeting close              | Bailey McBeth Cooper |

## 1. Meeting open

Meeting opened at 1:00pm. Introductions and Acknowledgement of Country delivered.

## 2. Previous actions

Sunwater reviewed previous actions including, Fairbairn – Anchor Retesting Project and Metering Replacement Project cost breakdowns. Sunwater also presented on the Irrigation Pricing Rebate Scheme, administered by QRIDA.

- **Member discussion:** Costs for both projects were scrutinised by members.
- **Sunwater response:** Sunwater provided further explanation of the project costs.
- **Member question:** Member asked how many meters were installed, working, and reporting back to base and was attributed to the Nogoa Mackenzie WSS in FY25.
- **Sunwater response:** Sunwater explained the costs are recorded in the financial year the meters are installed. The Point Orange telemetry has been installed after the initial meter installation. Currently 24 meters have been installed with Point Orange telemetry and are reporting. Sunwater is working on a background infrastructure solution, and plan to install four more this year. A new dashboard is being rolled out.
- **Discussion:** Sunwater and members discussed Smart Meters, and the Smart Schemes project being implemented across various schemes.
- **ACTION:** Sunwater to organise a Smart Schemes presentation for the next meeting.
- **Member question:** Member noted previous invoices included a discount, but this year they don't. Member asked if their understanding was correct and if it applied to usage, fixed costs or both.
- **Sunwater response:** Sunwater advised the 15% discount was previously administered by Sunwater and is now administered by QRIDA as a rebate. Customers must apply via the QRIDA website to be accredited through their process. Both fixed and usage charges are eligible for the rebate.
- **Member question:** Member asked whether the 15% rebate apply to fixed charges for customers of Fairbairn Irrigation Network (FIN).
- **Sunwater response:** Sunwater confirmed Parts A and B charges are eligible for the rebate, while FIN distribution charges (Parts C and D) are not.
- **Discussion:** Members, Sunwater, and FIN discussed the changes, the 15% rebate, equity between direct Sunwater customers and LMA/FIN customers, and challenges with the QRIDA website and application process.
- **ACTION:** Provide guidance on the QRIDA application process and confirm whether LMA/FIN customers are eligible for the 15% rebate on Parts C and D.

## 3. Region Update - Fitzroy

Sunwater provided an update on the new Fitzroy and Pioneer Bowen Basin regions, formerly the Central region. Craig Cahill, the General Manager, Operations – Fitzroy was introduced to the members of the Customer Advisory Committee.

- **Member question:** Member asked if Craig Cahill was the contact moving forward.
- **Sunwater response:** Sunwater confirmed Craig Cahill is the contact.

Craig Cahill can be contacted on 0437 148 832 or [Craig.Cahill@sunwater.com.au](mailto:Craig.Cahill@sunwater.com.au)

#### 4. Regulated Asset Base (RAB) – Irrigation Price Review

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

- **Member question:** Member asked if the annuity method smooths it over 30 years and the RAB method is over five years.
- **Sunwater response:** Sunwater explained the annuity method applies over 30 years, while the RAB method applies over the life of the renewed asset. For example, a pump station with a 40-year life would have costs spread over that period, similar to a home loan. Annuity is like paying insurance over 30 years, requiring forecasts for 33 years ahead, which is challenging given events like floods. RAB uses a four-year forecast, making it simpler and more accurate.
- **Member question:** Is long term planning still required under the RAB? What is really going to change?
- **Sunwater response:** From an asset management perspective what we do in the short term will not change. Sunwater's asset management activities will still include long term objectives and plans. We will still work to manage our assets prudently and efficiently. What will change is that your prices will not be based on long term expenditure guesses.
- **Member question:** Does Sunwater have a mature enough asset management program to support RAB?
- **Sunwater response:** Both methodologies require robust asset management. Sunwater acknowledges improvements are needed and has implemented an asset management improvement program to strengthen data and decision-making. The QCA has highlighted this in previous price paths. While our asset management maturity can improve it is already better suited to a RAB approach than an annuity approach.
- **Member question:** Who decides which approach Sunwater will take?
- **Sunwater response:** The decision rests with the Queensland Government.
- **Member question:** What impact does your insurance policy have under each methodology?
- **Sunwater response:** Insurance arrangements remain the same under both methodologies. If an asset is damaged – and the repair is above the deductible/excess threshold – Sunwater claims insurance. Payouts do not go to scheme balances because customers already pay premiums through their bills.
- **Member question:** Is there any point where the annuity balance will go positive in the future?
- **Sunwater response:** Under the annuity method, balances should fluctuate between positive and negative. Sunwater's schemes tend to be negative due to QCA adjustments to outer-year forecasts and unforeseen events. In practice, the annuity often functions like a RAB.
- **Member question:** Can Sunwater provide interest comparisons for different payback periods on a negative \$10M balance?

The following table has been calculated using simple principal (PPMT) and interest (IPMT) MS Excel formulas for periods of 25 years and 50 years, a loan amount of \$10m and an interest rate of 6.66%.

|               | Principal   | Interest    | Total   | Repayments (annual) |
|---------------|-------------|-------------|---------|---------------------|
|               | (return of) | (return on) |         |                     |
| <b>25 yrs</b> | \$10.0m     | \$10.8m     | \$20.8m | \$0.832m            |
| <b>50 yrs</b> | \$10.0m     | \$24.7m     | \$34.7m | \$0.694m            |
|               |             | +\$13.96m   |         | -\$0.138m           |

Note that this analysis is indicative only as the QCA's capital returns model applies some different treatments to inflation and interest – they effectively bundle inflation (a positive adjustment) and depreciation (a negative adjustment) together. Their cumulative return on, and return of, values are similar to those presented above.

- **Sunwater response:** Please see stylised example below. The QCA sets the weighted average cost of capital, which was 6.66 per cent in the last price path.

## 5. S&PP

Sunwater provided an overview of the Nogoa Mackenzie Service and Performance Plan (S&PP) 2025, noting it is published on the Sunwater website on the scheme pages.

- **Member question:** Member asked about the total operations budget for FY25–26 being 46.5 per cent above QCA's recommended target and if the additional expenditure can be recovered from customers.
- **Sunwater response:** Sunwater confirmed recovery is possible if costs are added to the annuity and deemed prudent and efficient by the QCA.
- **Member question:** Member asked if Sunwater was going to be 20 per cent under budget this financial year.
- **Sunwater response:** Sunwater clarified the figure on page 12 (Table 6) refers to the closing balance being less than 20 per cent, not under budget.
- **Member question:** Member asked if costs for the Selma Pumping Station could be cross subsidised with other work programs.
- **Sunwater response:** Sunwater advised the schemes have separate cost centres. Under the agreement with FIN, Selma Pumping Station costs are charged as incurred each quarter, with no annuity arrangement.
- **Member question:** Member asked about the costs associated with the recreation facility upgrades.
- **Sunwater response:** Sunwater confirmed the upgrades are funded by the Queensland Government and explained most costs relate to design and planning, with works scheduled for this financial year. Sunwater is focusing on Geoffrey Kavanaugh Park (formerly Spillway Park) and the right and left bank lookouts.
- **Member question:** Member asked if Sunwater has considered starting a community fund with other industries to improve the recreation facilities.

- **Sunwater response:** Sunwater acknowledged there is an opportunity to reset its approach now that council has confirmed it will not take responsibility.
- **Discussion:** Members and Sunwater discussed options to improve the bottom recreation area.
- **Member question:** Member asked about the status of the Low Water Storage Working Group (LWSWG) and Bedford Weir Storage Level Reinstatement.
- **Sunwater response:** Sunwater advised the work completed by the LWSWG was provided to the Regional Water Assessment. Sunwater will investigate and report back.
- **ACTION:** Sunwater to investigate LWSWG outcomes and provide information to the members.
- **Discussion:** The group discussed dam levels and dam safety requirements.

## 6. Water Security and Policy Update

Sunwater presented an update on the Nogoa Mackenzie water supply scheme drought preparedness working group.

- **Member question:** Member asked if the working group could review critical water sharing requirements in the ROL.
- **Sunwater response:** Sunwater advised under critical water sharing requirements, DLGWV or the Minister for Water can issue a direction.
- **Discussion:** Members and Sunwater discussed critical water sharing requirements, low-storage rules, and environmental flows.

## 7. Operations Update

Sunwater updated the group on Operations in Nogoa Mackenzie, including current storage levels and Announced Allocation, environmental management rules and low-level pumping at Fairbairn Dam.

- **Member question:** Member asked about the differences between Selma Channel and Weemah Channel remaining carryover water?
- **Sunwater response:** Sunwater advised Selma has less high priority (HP) allocation, resulting in lower carryover volumes.
- **Member question:** Member asked if the drought planning forecasts will be available on the Sunwater website.
- **Sunwater response:** Sunwater confirmed the forecasts are not published online but can be shared with CAC members.
- **ACTION:** Sunwater to share drought planning forecast graphs with members.

## 8. Customer Engagement Update

Sunwater provided an update on the revised CAC Terms of Reference, the finding from the recent CAC member survey and a reminder to complete the Sunwater Customer Survey.

- **Sunwater question:** Sunwater asked members if they would like to visit the scheme assets.
- **Member response:** Members expressed interest in asset tours.

## 9. General business

- **Member question:** Member asked about the process for meeting minutes.
- **Sunwater response:** Sunwater explained draft minutes are sent to CAC members for review. Once finalised, they are published on the Sunwater website.

## 10. Meeting close

Meeting closed at 4:00pm. Next meeting scheduled for January/February 2056

## 11. Actions

| Action item   | Owner        | Status      |
|---|--------------|-------------|
| Sunwater to organise a Smart Schemes presentation for the next meeting  | Craig Cahill | In progress |
| Provide guidance on the QRIDA application process and confirm whether LMA/FIN customers are eligible for the 15% discount on Parts C and D. | Craig Cahill | In progress |
| Investigate the LWSWG outcomes and provide information to the members.  | Craig Cahill | In progress |
| Sunwater to share drought planning forecast graphs with members.  | Megan Shea   | In progress |

## 12. Approval and review

|          |                      |
|----------|----------------------|
| Chair:   | Bailey McBeth Cooper |
| Minutes: | Caley Pearce         |
| Date:    | 25 November 2025     |

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