

Bundaberg Customer Advisory Committee

Date: Thursday 13 November 2025

Time: 9:00 am – 10:30 am

Location: Sunwater Bundaberg Office, 34 Enterprise Street, Bundaberg

Attendees:

Customer representatives: Chris Russo; Joe Lyons; Joanne Hall; Bree Watson; Peter McLennan; Simon; Dale Holiss; Deans Akers; Simon Doyle

Sunwater representatives: Darren Large ((General Manager (GM) Burnett and Lower Mary (BLM)); Natalie Bain (Acting Executive GM Customer and Stakeholder Relations); Colin Bendall (Executive GM Operations); Shannon Lancaster (Operations Manager BLM)

Sunwater representatives (online): Matthew Pearce (Head of Regulatory and Pricing); Letisha Lim (Stakeholder Relations Manager – Operations); Sarah O’Grady (Stakeholder Relations Advisor)

Invited guests: Jo Martin (Queensland Farmers’ Federation); Guiseppe Moro (Queensland Fruit & Vegetable Growers)

Apologies: Mark Pressler, Simon Riccardi

Minutes:

Agenda items		
Item no.	Item	Presenter
1	Meeting open	Darren Large
2	Customer engagement	Sarah O’Grady
3	Service and Performance Plan	Darren Large
4	Regulated Asset Base (RAB) Irrigation Price review	Colin Bendall Matthew Pearce
5	General business	Darren Large
6	Meeting close	Darren Large

1. Meeting open

- Meeting opened 9:00am. Acknowledgement of Country delivered.
- Introductions conducted. Sunwater noted new committee members.
- Sunwater provided an update on the actions from the previous meeting.
- Sunwater gave an overview of the agenda.

2. Customer engagement

Sunwater provided an overview of the CAC member survey, revised CAC Terms of Reference and Sunwater's Customer Survey.

- **Member question:** Member asked for the rationale behind irrigators no longer chairing CAC meetings. They expressed interest in understanding Sunwater's position and the reasoning for shifting away from an irrigator-focused approach.
- **Sunwater response:** Sunwater explained the recent CAC survey asked members for their views on members chairing meetings instead of Sunwater, and the feedback was mixed. Each CAC will work collaboratively with Sunwater to determine the preferred approach. Sunwater also noted the transition from Irrigator Advisory Committees (IACs) to CACs was intended to broaden representation across different customer segments, not just irrigators. This has resulted in varying levels of diversity among CACs - some have a wide mix of customers, while others not as much.
- **Member question:** Member asked if Sunwater could appoint a co-chair for each CAC.
- **Sunwater response:** Sunwater indicated it is open to considering co-chair arrangements on a case-by-case basis. It also confirmed secretarial support would continue if a customer were appointed as chair or co-chair.

3. Bundaberg Service and Performance Plan (S&PP)

Sunwater provided an overview of the S&PP Bundaberg Bulk Water Service Contract 2025 and S&PP Bundaberg Distribution Water Service Contract 2025.

- **Member question:** Member asked if the historical usage data includes Burnett Water.
- **Sunwater response:** Sunwater confirmed it doesn't.
- **Member question:** Member asked whether it includes Sunwater's 16,000 ML of water.
- **Sunwater response:** Sunwater confirmed it does.
- **Member question:** Member asked Sunwater to confirm whether the data excludes what's pumped out of the Burnett River.
- **Sunwater response:** Sunwater clarified that the figures represent entitlements within the bulk water scheme. They include total allocations; however, there is a distinction in the distribution scheme. The distribution S&PP figures reflect only distribution usage.
- **Member question:** Member asked if Sunwater transferred water last year.
- **Sunwater response:** Sunwater confirmed it did not. However, there's a fixed annual cost associated with operating Monduran Pumping Station and the channel system. These costs are allocated every year regardless of whether water is transferred.
- **Member question:** Member asked why electricity costs were 45 per cent higher than the Queensland Competition Authority (QCA) figures in the Bulk Service Contract.
- **Sunwater response:** Sunwater explained whilst this is a variance of 45% it only equates to \$5,200.
- **Member question:** Member asked when Sunwater last carried out a transfer.
- **Sunwater response:** Sunwater noted the last transfer was after the 2013 flood event in the Burnett River. There are trigger levels outlined in the Water Plan; however, the process is complex, costly and involves water losses when moving water.
- **Member question:** Member asked if dam safety costs are included in the regulated QCA customer charges.

- **Sunwater response:** Sunwater confirmed they are included if the costs are not related to dam improvement projects under the overarching Dam Improvement Program (DIP). Ongoing repairs, maintenance, compliance studies, and risk assessments are funded by customers. However, if Sunwater is required to upgrade a dam, those costs are covered by shareholders, not customers.
- **Member question:** Member asked what the support costs cover.
- **Sunwater response:** Sunwater explained support costs generally include payroll, insurance, dam safety and asset management - essentially internal services that enable local teams to operate and maintain the asset effectively.
- **Member question:** Member asked if Sunwater uses contractors, for example, for shutter work.
- **Sunwater response:** Sunwater noted the shutter replacement would be delivered under a Principal Contractor (PC) arrangement due to limited internal capacity. Both internal and external labour are included in the table (Table 8 – Annuity-funded projects planned for 2025-26). Sunwater always conducts an internal project assessment to determine whether resources are available internally (versus externally). In some cases, specialist expertise is required that Sunwater does not have.
- **Member question:** Member asked whether S&PPs are sent to all customers.
- **Sunwater response:** Sunwater confirmed it sends both an email and text to all Bundaberg Water Supply Scheme (WSS) customers.
- **Member question:** Member asked how many cylinders of acrolein Sunwater uses each year.
- **Sunwater response:** Sunwater confirmed it uses about 50 cylinders annually in the Bundaberg WSS.
- **Member question:** Member asked if acrolein turns into carbon.
- **Sunwater response:** Sunwater explained acrolein breaks down into carbon and water, and within 72 hours of treatment it becomes completely inert - posing no risk to the environment, humans or livestock.

4. 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 its RAB review, its purpose, scope and key dates; QCA methodology and the significance of closing annuity balances.

- **Member question:** Member asked whether private companies elsewhere use RAB or an annuity.
- **Sunwater response:** Sunwater explained it does not have visibility of what private companies are doing. However, an annuity approach may be more suitable for private companies that cannot borrow from state treasuries, whereas the RAB model works well for government-owned corporations because they can access funding through Queensland Treasury.
- **Member question:** Member queried what 'opening balance indexed annually' means.
- **Sunwater response:** Sunwater explained it refers to the original investment amount being adjusted for inflation over time.
- **Member question:** Member asked how depreciation is factored into the calculation.
- **Sunwater response:** Sunwater noted depreciation is not a separate component in the annuity; rather, it is embedded within the annuity calculation.
- **Member question:** Member asked whether Sunwater would take the \$20.3 million (m) back to \$0 and start with a RAB of \$0.

- **Sunwater response:** Sunwater explained the RAB would open at \$20.3m. The negative value represents funds Sunwater has already invested in the scheme, which under the framework must be recovered from customers over time.
- **Member question:** Member queried what the value of the RAB would be on day one.
- **Sunwater response:** Sunwater explained it will be \$20.3 m for the Bundaberg Bulk Scheme, and \$9.3 m for the Bundaberg Distribution Scheme.
- **Member question:** Member asked Sunwater to confirm if the overall regulatory base will be reset to zero for most Sunwater assets before 2000.
- **Sunwater response:** Sunwater noted the distribution schemes have been set to zero. However, the referral notice has consistently said the QCA and Sunwater should not recover any pre-2000 costs. These costs are excluded rather than reset to zero. Under this framework, there is no mechanism for a Board or Executive to influence prices in that way.
- **Member question:** Member queried whether Sunwater could 'play the system'.
- **Sunwater response:** Sunwater explained the risk of gold-plating exists under both methodologies - RAB or annuity. However, the QCA process provides strong safeguards as it reviews all Sunwater forecasts and actual expenditure. The QCA can adjust allowances or make deductions where inefficiencies are identified.
- **Member question:** Member queried whether CASPr is included in the figures.
- **Sunwater response:** Sunwater confirmed CASPr is excluded.
- **Member comment:** Member noted CASPr has damaged customer trust. They expressed concern that this represents a significant change in how investments are funded, and most customers do not understand it as well as Sunwater does. Customers are seeking clarity on why Sunwater is advocating for the shift to the RAB model.
- **Sunwater response:** Sunwater explained the annuity approach carries a degree of uncertainty because it is difficult to predict expenditure over a 30-year period. Sunwater believes the RAB approach is fairer, as it provides more detailed oversight of appropriate expenditure within a four-to-five-year timeframe. This means Sunwater is not recovering funds for projects that may never occur. Sunwater is supporting the RAB review at the request of the Department for Local Government, Water and Volunteers (DLGWV) and the Queensland Government, but it is not driving the process. Both methodologies provide Sunwater with the revenue needed to operate schemes and Sunwater is comfortable with either approach. Sunwater's role is to support the review and ensure customers are as informed as possible, as the Queensland Government is seeking feedback from irrigators on this change.
- **Member question:** Member asked how customers can be confident that money is not being wasted.
- **Sunwater response:** Sunwater explained customers will have input into Sunwater's five-year plan and the QCA conducts an independent external review. Sunwater acknowledged customer concerns and emphasised an independent arbiter oversees the process. Sunwater never invests in assets for any reason other than ensuring reliability and maintaining supply for customers.
- **Member comment:** Member noted Seqwater has no intention of moving to a RAB model because irrigation represents only one percent of its revenue, and they see little value in transitioning. They emphasised that adopting a RAB approach should not happen overnight - adequate time is needed for stakeholders to understand the process. Many customers do not fully understand the methodology and there is a genuine need for education around price reviews. The member expressed a desire for Sunwater to provide this feedback to DLGWV.
- **Member question:** Member asked whether the Queensland Government's Community Service Obligation (CSO) will increase given RAB costs go to Part A and C, which are covered by CSO.

- **Sunwater response:** Sunwater explained it depends. If RAB-based prices are lower than those under the annuity approach, the Queensland Government's CSO will decrease. In the case of the Bundaberg WSS, prices are already cost-reflective.
- **Member question:** Member asked whether the impact on short and medium term cashflow would result in a worse outcome for customers.
- **Sunwater response:** Sunwater confirmed this is not correct. Sunwater's cashflow changes that arise from a transition from annuity to RAB – if it goes ahead – will not lead to adverse customer outcomes.
- **Member question:** Member asked whether Bundaberg growers could have a dedicated information session.
- **Sunwater response:** Sunwater confirmed it will consider scheduling an additional session. **ACTION.**

5. General business

- **Member question:** Member asked about the current capacity of Paradise Dam.
- **Sunwater response:** Sunwater noted the capacity is currently close to full.
- **Member question:** Member asked whether Sunwater's unsold water is high priority (HP) or medium priority (MP) and requested this allocation not be sold.
- **Sunwater response:** Sunwater explained the unsold water comprises about 83,000 ML of MP and 17,000 ML of HP. The ring-fenced volume can't be altered without significant consultation and agreement to revert any changes; therefore, Sunwater is not considering selling this allocation.
- **Member question:** Member enquired about the expected timeframe for the start of construction at Paradise Dam.
- **Sunwater response:** Sunwater confirmed it's targeting FY2028; however, no definitive timeframe has been set. The team is working hard to reach a position where construction can start.
- **Member question:** Member requested a status update on the Mount Rawdon Pumped Hydro Project (MRPHP).
- **Sunwater response:** Sunwater advised the MRPHP has been engaging stakeholders, including Sunwater staff and customers. MRPHP can access temporary trade (TT) water; however, the volume available depends on current allocations. This approach ensures agricultural users maintain good access to TT water.
- **Member question:** Member requested a status update on the Burnett Basin Water Plan review.
- **Sunwater response:** Sunwater noted the DLGWV is currently progressing this work. Sunwater has provided input and has made a submission regarding environmental releases at Paradise Dam.
- **Member question:** Member requested a status update about the Bundaberg Scheme Distribution Capacity Upgrade project.

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- **Sunwater response:** Sunwater advised an update slide has been prepared and will be shared with CAC members in the slide pack accompanying the meeting minutes. The slide outlines progress on option assessment and the transition to detailed design. **ACTION**
- **Member question:** Member enquired whether the southside shutdown is still scheduled for next week.
- **Sunwater response:** Sunwater confirmed the shutdown is planned to proceed as scheduled.

6. Meeting close

Meeting closed at 11:00am. Next meeting scheduled for **18 March 2026**.

7. Actions

Action item	Owner	Status
Sunwater to confirm if it can host an information session for the Bundaberg WSS	Sarah O'Grady	Sunwater will consider hosting scheme information sessions after lodging its submission to the QCA in February 2026.
Sunwater to provide update slide on the Bundaberg Scheme Distribution Capacity Upgrade project.	Sarah O'Grady	Completed. Slide included in slide deck issued with draft meeting minutes.

8. Approval and review

Chair:	Darren Large
Minutes:	Sarah O'Grady
Date:	16 December 2025