

Meeting Minutes

Date: Tuesday 8th October 2019

Time: 10:00am – 1:00pm

Location: Maryborough Canegrowers, 106 Bazaar Street, Maryborough

Attendees: Geoff Wormwell, Independent Chair
Allan Birt; Norm Muller; Scott Maxwell; Scott Allcott; representing customers
Trevor Dean, Fraser Coast Regional Council
Hywel Cook, MSF Sugar Pty Ltd
Chris Coutts-Smith MSF Sugar Pty Ltd

Guests: Darren Large, SunWater, General Manager, Burnett & Lower Mary
Lisa Welsh, SunWater, General Manager Customer Strategy
Tony Reynolds, SunWater, Senior Administrator, Burnett & Lower Mary
(By phone – Peter MacTaggart, SunWater, Executive General Manager, Corporate Development)

Apologies: Elyse Riethmuller, Tristan Cartamel

Chair: Geoff Wormwell

Minutes: Tony Reynolds

Agenda Items

Item No.	Agenda Item	Presenter
1.	WELCOME 1.1 Declaration of interests 1.2 Minutes 09 August 2019 1.3 Actions	Chair
2.	Matters requiring SunWater Board Response 2.1 Response to CAB resolution of 9 August 2.2 Lower Mary Water Security	Lisa Welsh Peter MacTaggart
3.	DISCUSSION TOPIC 3.1 Strategic Action Plan finalisation (targets, dates and lead for actions) 3.2 Action 1 Planning: Review the key limitations to scheme viability identified by the LMA Board Stage 3 3.3 Action 2 Planning: Understand the current scheme infrastructure, operations, water usage and limitations 3.4 Action 3 Planning: Developing and implementing solutions 3.5 Action 4 Planning: Define the role of the CAB in the off-stream storage announced by the Federal Government	Chair
4.	OPERATIONAL UPDATE 4.1 QCA Review – Electricity Pass Through and Access Charge 4.2 SunWater operational update 4.3 Industry update	Lisa Welsh Darren Large Members
5.	NEXT STEPS	

Agenda Items		
Item No.	Agenda Item	Presenter
	5.1 Agenda items for next meeting 5.2 Confirmation of date of next meeting	Chair
	MEETING CLOSE	

1. Welcome

1.1 Chair opened the meeting at 10:05 and welcomed Hywel Cook from MSF Sugar Pty Ltd. Apologies accepted. Chair then asked attendees to declare any perceived or real conflicts of interests. There were none.

1.2 Minutes of 09th August meeting reviewed and accepted as correct. Original signed by Chairman and retained by SunWater for electronic filing.

1.3 Refer to document “*Action list for Lower Mary CAB*” [SunWater document #2406539]. Tabulated to contain all action items requiring attention. Document updated with action items from this meeting.

2. Matters requiring SunWater Board Response

2.1 Lisa confirmed the CAB resolution was presented to the SunWater board and their response tabled - “*Sunwater wants to achieve water security in the Lower Mary so long as the project meets economic or commercial criteria. In the case of the Glendorf Off-stream Storage Project, we have asked Peter MacTaggart, Executive Manager Commercial Development, to brief you on the project and its history. Subsequent to this, if there are commercial or economic options identified, we are open to discussing them.*”

2.2 10:35 – Peter MacTaggart phoned into the meeting and provided the CAB with detailed information regarding SunWaters involvement and position on the Glendorf Off-stream Storage Project. He explained some of the technical investigations undertaken and the financial aspects regarding the commercial focus of SunWater as a Government Owned Corporation.

Trevor Dean excused himself to the chair left the meeting at 10:45

Hywel Cook then also gave a summary on the background regarding MSF Sugar Pty Ltd position on the same topic. MSF Sugar Pty Ltd is acutely aware of the Lower Mary scheme issues and economic and financial implications of this proposal’s viability.

Both entities expressed a desire to continue working on this proposal subject to financial capital commitments from both parties and from Federal Government funding.

Some CAB members indicated there should be some dialogue between SunWater and DNRME in relation to the Mary Basin Water Plan and any proposed infrastructure.

Peter MacTaggart’s phone call concluded at 11:10

3. Board Strategic Action Plan (document #2406539)

3.1 Strategic Action Plan finalisation

Board members reviewed the metrics and targets from the plan and after considerable conversation and input from all members it was agreed certain metrics were “out of scope” or needed alteration to align with board objectives. Tentative benchmarks and targets were added to the plan for review by CAB members.

The board agreed to modify this metric:

- Deleted “Financial Metrics cost/M
- Insert “Property transfer (permanent trade) price” – if available
- Insert “Sunwater costs/ML”

The board agreed to remove these metrics:

- Increase in land values – difficult to quantify from public records
- ABS socio economic – statistical data requiring considerable interrogation
- Reduction in CSO and subsidy – Government funding decision

Chris Coutts-Smith excused himself to the chair and left the meeting at 11:40.

3.2 Review the key limitation to scheme viability

Members discussed that the LMA Stage 3 report identified the lack of water security as the key issue in limiting scheme viability, and noted the historical dominance of sugar cane in the scheme.

Hywel Cook noted the total available irrigation area was about 4,000 hectares of which MSF Sugar held almost 2,000 hectares and held the largest water allocation rights. This land area was mainly sugar cane with about ¼ transitioning to other crops. The most important aspect of scheme bankability would be, in his opinion, to increase the size of the scheme. Of course, budget and capital infrastructure costs are currently the main impediment to this occurring.

3.3 Understand the current scheme

After considerable discussion the board felt the issue of water usage was not relevant to this priority action. It was felt the board would benefit from a better understanding of the original design and function of the Lower Mary scheme. The drivers that influence water usage were also considered by the group to be a much broader matter than just for this scheme and involved national and global consequences outside the Boards control. As such it was decided to remove this action from the plan.

Action item: Darren to provide presentation on scheme design, function, construction and operations

3.4 Planning and implementing solutions

After some discussion it was agreed the development of solutions and implementation required detailed understanding of the current scheme design, limitations and therefore this item was a future focus topic.

3.5 Defining the role of the CAB in the Glendorf Off Stream Storage

The Board felt this item was now complete.

4. Operational Update

4.1 Lisa presented details behind Sunwater's electricity pricing proposal to the QCA. She also provided a short PowerPoint presentation to the board behind Sunwater's electricity cost estimate and pass through methodology.

Full details of SunWaters proposal are available on the QCA web-site

<http://www.qca.org.au/Water/Rural/Irrigation-price-investigations/In-Progress/Irrigation-Price-Review-2020-24>

Action item: Lisa to circulate to members information on accessing the QCA fact sheets which provide information and commentary around the draft report.

4.2 Darren Large presented the operational report.

Darren then gave a brief update in relation to Paradise Dam including; the lowering of the supply level to 42% and reduction of 5 metres to the spillway height. This information has been presented to LDMG members, QFES, local, state and federal parliamentarians and the Bundaberg IAC.

4.3 Each board member was asked to comment on any industry updates or news that was relevant to the board.

Hywel Cook advised there was an Australia wide drop in sugar cane pricing despite the recent rally in the last few weeks. He noted all agricultural industries were in desperate need of relieving rainfall. MSF Sugar is transporting some cane from the northern Sunshine Coast region.

Scott Allcott informed the meeting he believed macadamia prices appear to be firming into next year however there may be weaker crop with heat issues affecting yield.

Scott Maxwell had no major issues to report but advised it seemed that about ½ the cotton crop had been sown with the remainder due into the early new year.

Allan Birt noted the very dry weather conditions will have crop implications within the local and broader sugar cane industry.

Norm Muller also noted the very dry weather would impact bean cropping however prices have risen slightly.

5. Next Steps

5.1 Agenda items to be updated prior to the next meeting.

QCA are holding a public workshop at the RSL club in Maryborough from 2:00pm to 4:00pm this afternoon. Several members, Lisa and Darren indicated they would be attending this session.

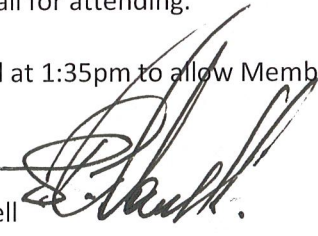
Responses to the draft QCA pricing review are due by 4th November and it was suggested a telephone hook-up for next Tuesday should be held to consider how best to provide a submission.

Action item: Lisa to arrange a telephone hook-up for Tuesday 15th October. This phone meeting will assist with preparation of response to QCA draft report.

5.2 Next meeting will be Friday 28th February 2020.

Chair thanked all for attending.

Meeting closed at 1:35pm to allow Members to attend the QCA Price Path 2020-2024 – Lower Mary workshop.


Geoff Wormwell
Chair

Date

28 / 2 / 20.