Submission on Sunwater's proposal
Wilmar Sugar Australia
19 February 2024

Wilmar Sugar and Renewables operates one of the largest and most advanced sugarcane farming operations in Australia.
Our operations span about 7,500ha of agricultural land across four Queensland milling regions. Our company-owned and leased farms produce about 550,000 tonnes of sugarcane a year, which is supplied to our mills in the Herbert, Burdekin, Proserpine and Plane Creek regions.
We operate our farms under the best practice principles (Smartcane BMP). We follow best practice guidelines for the management of irrigation and drainage.
We have invested in a number of capital projects to optimise water use efficiency, including development of large recycling pits which enable us to capture and reuse irrigation tail water.

Our submission
We recognise that some irrigators do not object to Sunwater's pricing proposal – particularly those in areas without large and expensive water assets. However, in the Burdekin, where the largest portion of our farming operation is located, opposition is strong.
We urge the QCA to not accept those elements of Sunwater's proposal that are unfairly harsh, unjustified on available evidence, commercially disadvantageous to customers, or are contrary to, or inconsistent with, previous Sunwater undertakings or QCA decisions.
A government-owned monopoly service provider should not write the terms of commercial relationships based solely on its interest. Irrigators have little power in the relationship with Sunwater and rely on independent scrutiny of the QCA.
In its 2020 Final Report, the QCA stressed that Sunwater should operate on a renewal recovery basis that: '…incentivise[s] Sunwater to achieve efficiencies…' The Authority did not exclude customers from an efficiency dividend, or suggest that Sunwater efficiency should come at the disadvantage of customers.

ECPT
Adopting SunWater's electricity cost pass-through trial (ECPT) proposal could have an adverse effect on customers if it results in increased charges without appropriate and adequate adjustment of the CSO.
In the absence of detailed modelling, it is impossible to be certain of the impact.

Operating expenditure
Sunwater has obligation not only to its owners, but also to its customers to be commercially responsible and reasonable.
It is not reasonable to use an abnormal year (22/23) as base for the next pricing period when that data is an aberration likely to unnecessarily impact customers. Using 22/23 data moves the starting point more than 40% higher than the previous QCA allowance.
Sunwater should set the start point at the previous QCA allowance.

New billing system
Burdekin customers see no evidence of benefit from proposed expenditure of $42.4m upgrading Sunwater's billing and accounting system.
Instead, we support irrigators highlighting benefits that can be achieved simply by relocating the billing and accounting process to Clare.

Burdekin Dam expenditure
We do not see merit in certain proposed expenditure (at this time) on the Burdekin Dam and drains when the dam wall is to be raised by two metres in the near future as part of a DIP (Dam Improvement Project).

RAB
We support views that Sunwater should continue using the current 30 year renewal approach and not adopt RAB without QCA confirmation that a change will deliver a superior outcome for both provider and customer.
Merely following the example of other states ignores appropriate consideration of the particular assets and customer circumstances in Queensland.

We urge the QCA to recognise strong opposition to a RAB registered from customers in the Burdekin and some other regions. The extent of opposition may not be apparent because Sunwater has arbitrarily abandoned long-standing and agreed practice of tlalying customer votes on a 'per ML of allocation' basis. Instead, Sunwater presents an averaged vote across regions. When using the traditional method, it is clear that 57% of WAE voted against a RAB methodology.