

Department of Natural Resources and Mines
MINISTER'S BRIEFING NOTE

CTS 19136/15

To: Dr Anthony Lynham MP
Minister for Natural Resources and Mines

From: Lyall Hinrichsen 9/10
Acting Deputy Director-General
Policy and Program Support

Copy: James Purtill
Director-General

Snr Policy Advisor 49-Sch4 - Signature	OK
Chief of Staff	OK
Approved / Not Approved / Noted Further information required	
Minister	
Dated	22/10/15

Action Officer: Patrick Levings
Telephone: 3181 5166

Endorsed: Leanne Barbeler, A/Executive Director, Water Policy

Amendments to the Moreton Water Resource Plan and Resource Operations Plan

RECOMMENDATION

- It is recommended that the Minister:
 - approve** the release of the following documents:
 - The Statement of Proposal to amend the Water Resource (Moreton) Plan 2007 (Moreton WRP) and the Moreton Resource Operations Plan 2009 (Moreton ROP) to provide for the conversion of supplemented water entitlements in the Central Lockyer Valley Water Supply Scheme to water allocations (Attachment 1); and
 - Public notices to be published on the internet and in newspapers (**Attachment 2**).
 - note** that, in accordance with section 40 of the *Water Act 2000*, letters will be sent to each local government in the Moreton WRP area with copies of these documents for information and display; and
 - note** the proposed consultation process about the proposal to amend the Moreton WRP and ROP.

TIMING

- Approval is requested by 22 October 2015 in order to release the Statement of Proposals by 29 October 2015.

KEY ISSUES

- Amendments to the Moreton WRP and ROP are required to provide the statutory support for converting current entitlements in the Central Lockyer Valley Water Supply Scheme (Central Lockyer Valley WSS) to tradeable water allocations as well as to improve scheme water sharing and operating rules.
- In accordance with section 38A of the *Water Act 2000*, a Statement of Proposals has been prepared to enable public consultation prior to the development of the proposed plan amendments.
- The Statement of Proposals outlines specific issues and strategies to be addressed in the proposed Moreton WRP and ROP amendments. The proposed amendments will seek to:
 - convert supplemented surface water and groundwater entitlements in the Central Lockyer Valley WSS to volumetric water allocations;
 - improve scheme infrastructure and water sharing rules to ensure a more equitable share of the water resource across all water users in the scheme; and
 - establish water trading arrangements for both surface water and groundwater users within the scheme.
- In collaboration with the Department of Science, Information Technology and Innovation, the surface water and groundwater models that inform the Moreton WRP, have also been updated to include recent information gathered about the millennium drought and recent flood events. This will ensure that decisions made about the allocation and management of water in the Central Lockyer Valley WSS continue to be supported by the best available science.
- Release of the Statement of Proposals is proposed prior to the likely commencement of the water planning provisions in the *Water Reform and Other Legislation Amendment Act* in April 2016. This is necessary to ensure that the amendments can be progressed in time to meet QCA recommendations.

BACKGROUND

8. Located near Gatton in South East Queensland, the Central Lockyer Valley WSS supplies water to around 265 supplemented entitlement holders and an additional 50 landholders with contractual agreements located on the Morton Vale Pipeline. The scheme provides for supplemented water supplies from both surface water and groundwater sources.
9. The scheme is owned by Seqwater who currently operate under interim arrangements according to the requirements of the Interim Resource Operations Licence for the Central Lockyer Valley WSS (See **Attachment 3** for more information about the scheme and issues).
10. In 2013, the Queensland Competition Authority (QCA) identified that under current arrangements, Seqwater customers in the Central Lockyer Valley WSS are unable to adopt strategies such as water trading to manage on-farm risk associated with water supply. In addition, the interim nature of the current rules affects Seqwater's capacity to operate an efficient and effective scheme. The QCA recommended that water entitlements and contractual arrangements associated with the Central Lockyer Valley WSS be replaced by tradeable water allocations by June 2017.
11. Section 55 of the *Water Act 2000* states a water resource plan may be amended if the Minister is satisfied about either of the following in relation to the water resource plan –
 - The plan's outcomes are not being achieved; and
 - the plan's objectives, or the strategies for achieving the plan's outcomes, are no longer appropriate for its plan area.

CONSULTATION

12. The Department of Natural Resources and Mines (the department) has undertaken preliminary consultation with officers from Seqwater and representatives of Queensland Farmers' Federation. The department has also discussed the implications of QCA recommendations with water users through Seqwater's annual customer consultation forum in May 2015.
13. Letters have also been sent to representatives on the department's peak stakeholder group, the Water Engagement Forum and traditional owners, advising them of the upcoming water planning activities in the Moreton WRP area. The letter also extends an opportunity to discuss the implications of the proposed amendments to the Moreton WRP and ROP in more detail.
14. Environmental representatives on the Water Engagement Forum have also been contacted to seek their views on the proposed planning activities in the Moreton WRP area. No concerns were raised.
15. This brief has been endorsed by the Water Champion, and by the project's Steering Committee.

NEXT STEPS

16. Release the Statement of Proposals to amend the Moreton WRP and Moreton ROP.
17. Commence consultation with affected water user groups in the Central Lockyer Valley WSS to seek their input about how to best establish volumetric allocations.
18. Commence preparation of draft amendments to the Moreton WRP and Moreton ROP.

ATTACHMENTS

19. **Attachment 1:** Statement of Proposals to amend the Moreton WRP and Moreton ROP
Attachment 2: Public Notice for the release of the Statement of Proposals
Attachment 3: Central Lockyer Valley Water Supply Scheme – Summary
Attachment 4: Groundwater Management Lockyer Valley

Lyll Hinrichsen
Acting Deputy Director-General
Policy and Program Support

Minister's Comments

Since signing the brief, the attachments have been updated to reflect new dates (flagged)

Is the Minister still happy to have signed the brief in light of the changes to the attachments?

Approved.

Release date to remain
the 20th October

49-Sch4 - Signature

28/10/15

Released by DNRM under RTI Act 2009



Statement of Proposals to amend the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan 2009

October 2015

Released by DNR/MRM under RTI Act 2009





Released by DNRM under RTI Act 2009

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Table of contents

Minister’s Foreword 1

1 Introduction..... 2

2 Statement of Proposals 2

3 The plan area to which proposed amendments apply 3

 4.1 Central Lockyer Valley Water Supply Scheme 3

4 Amendments to the Moreton WRP and Moreton ROP..... 5

 5.1 Amendments to the Moreton WRP 5

 5.1.1 Providing security for groundwater entitlements 5

 5.1.2 Providing for conversion of entitlement 6

 5.2 Amendments to the Moreton ROP 6

 5.2.1 Boundaries of the supplemented groundwater area 6

 5.2.2 Infrastructure operating and water sharing rules 7

 5.2.3 Water trading rules 8

5 Science 8

6 Consultation..... 9

7 Next steps 9

8 Further information 10

9 How to make a submission 10

Appendix A: Submission form 11

 Workshops 12

 Checklist 13

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Minister's Foreword

I am pleased to announce the Statement of Proposals for amendments to the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan. These amendments seek to improve the water allocation and management arrangements in ~~with~~ the Central Lockyer Valley Water Supply Scheme.

The provisions in the water resource plan will be examined to identify areas where the water management framework can be improved. The amendment will result in the implementation of stronger, more efficient and more flexible water management arrangements that better meet the community's needs and support sustainable agricultural development in the Central Lockyer Valley.

Decisions about the allocation and management of water will be supported by the best available science. Information is already being reviewed to ensure that any management proposals consider both the millennium drought and the more recent flood events.

The proposed amendment to the plans formally commences with the release of this Statement of Proposals, which provides a solid basis for further engagement with the community on water management issues in the Central Lockyer Valley, ensuring that community views are considered early in the process.

Preliminary consultation with key irrigator and stakeholder groups ~~and consultation~~ has already started and will continue throughout the process to ensure that all concerns and suggestions are considered. I encourage anyone with an interest in the proposed amendments to the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan to present your views on the issues raised in this Statement of Proposals.

The Hon. Dr Anthony Lynham
Minister for Natural Resources and Mines

1 Introduction

Together the Water Resource (Moreton) Plan 2007 (Moreton WRP) and Moreton Resource Operations Plan (Moreton ROP) provide the strategic and operational framework for sustainable management of water resources in the Moreton plan area. Water resources in the Moreton plan area comprise three large water storages, (the Somerset, Wivenhoe and North Pine Dams) and six water supply schemes that supply water for irrigation and urban purposes. Unsupplemented water and overland flow are also managed under the Moreton WRP, while groundwater is also extensively managed within the plan area through the regulation of groundwater take in three defined groundwater management areas.

From time to time, amendments may be made to water resource plans and resource operations plans to address water allocation and management issues that may arise in a plan area. The last amendment to the Moreton ROP was made in 2014 to include management arrangements for the Warrill Valley and Lower Lockyer water supply schemes in the plan. These schemes were previously managed under interim arrangements. The amendment converted interim water allocations within the two schemes to tradeable water allocations, providing flexibility and water supply security to water users in these valleys.

This leaves the Central Lockyer Valley Water Supply Scheme (Central Lockyer Valley WSS) as the only remaining water supply scheme in the Moreton plan area still managed under interim arrangements.

Prior to the commencement of the Moreton WRP in 2007, the Department of Natural Resources and Mines (the department) had been working with water users in the Central Lockyer Valley as part of a project to establish volumetric allocations for all surface water and groundwater entitlements in the Central Lockyer area. A process for determining draft allocations was developed in consultation with the Central Lockyer Community Reference Group; however, the proposed rules were not implemented at that time.

Through the release of this Statement of Proposals, the Minister has formally commenced the process for amending the Moreton WRP and ROP. Supported by surface water and groundwater modelling and additional information gathered about the millennium drought and more recent flood events, the proposed amendments will build on the existing body of work produced in consultation with the Central Lockyer Community Reference Group, focusing on the allocation and management of supplemented water supplies associated with the operation of the Central Lockyer Valley WSS. The introduction of defined volumetric allocations will address Queensland Competition Authority recommendations for the introduction of an irrigation price path for the Central Lockyer Valley WSS as well as provide supplemented water users with more secure, certain and flexible entitlements.

2 Statement of Proposals

A Statement of Proposals is a requirement under section 39 of the *Water Act 2000* (the Water Act) in those instances where the Minister has decided there is a need for formal consultation during the development of a draft amendment to a water resource plan. This consultation is additional to the formal consultation process required following the release of a draft amendment to a water resource plan.

The Minister has decided that further information about community views and expectations in relation to water allocation and management issues associated with the Central Lockyer Valley WSS should inform the development of draft amendments to the Moreton WRP and Moreton ROP.

The Statement of Proposals outlines the scope of proposed amendments and identifies the key issues in relation to the matters being considered for amendment. The Statement of Proposals also provides an opportunity for the community to provide input into the proposed amendments. Details on how to make a submission are provided in section 9 of this document.

3 The plan area to which proposed amendments apply

The proposed amendments apply to the following water in the Moreton WRP area:

1. water supplied under water supply agreements from Morton Vale Pipeline
2. supplemented surface water managed under the Central Lockyer Valley WSS
3. groundwater taken from those areas within the Lockyer Valley groundwater management area, implementation area 1 recognised as benefitting from water supplied by the Central Lockyer Valley WSS (supplemented groundwater) (Figure 1).

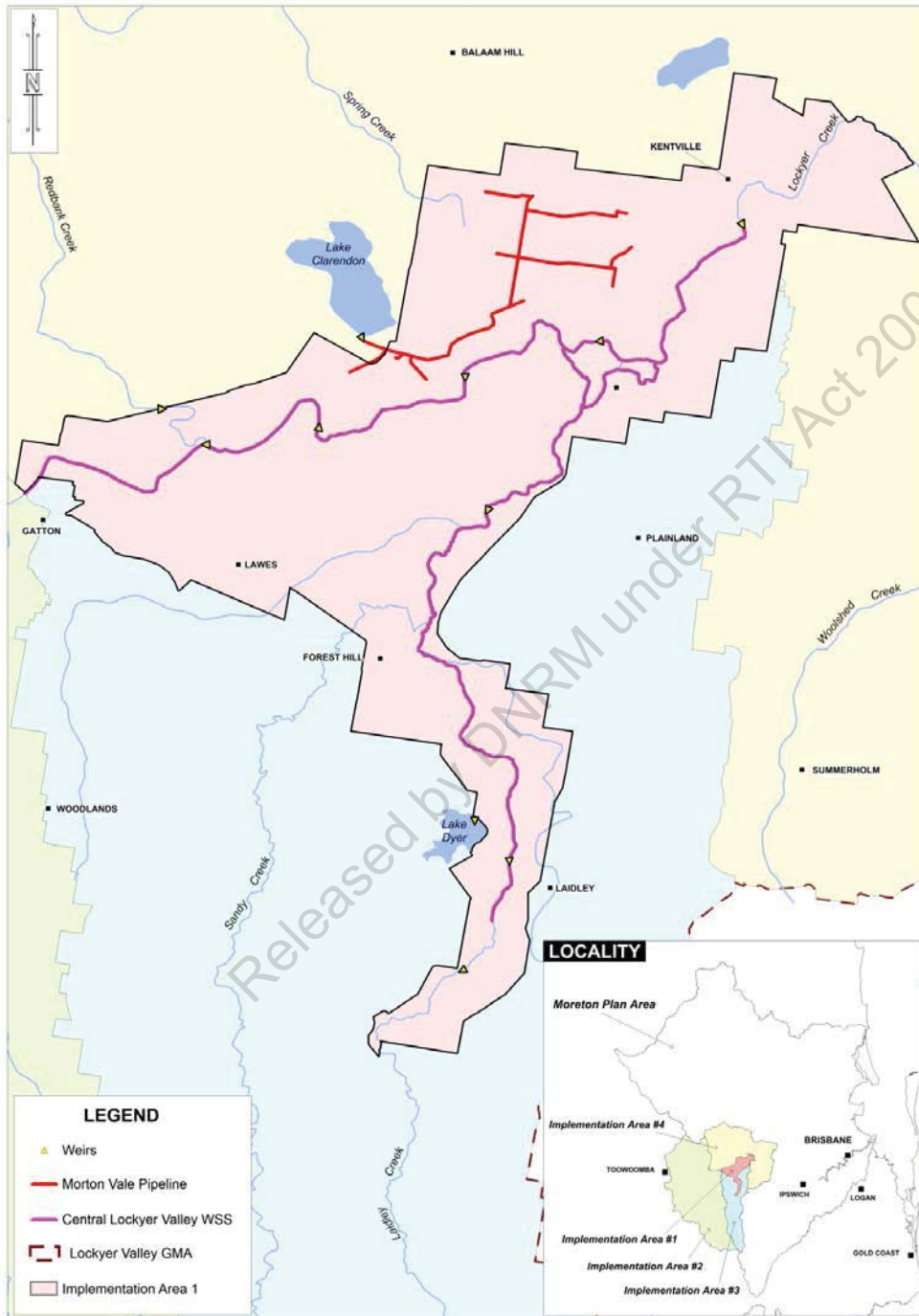
3.1 Central Lockyer Valley Water Supply Scheme

Established in the 1980s, the Central Lockyer Valley WSS comprises two off-stream storages (Lake Clarendon and Bill Gunn Dam) and nine recharge weirs that together function as infrastructure to support irrigation in the Central Lockyer Valley near Gatton in South East Queensland. The two storages are filled by diverting water from nearby creeks during significant flow events. The scheme supplies water for the Morton Vale Pipeline, recharges groundwater areas adjacent to Lockyer and Laidley creeks, and supplies downstream surface water entitlements. Seqwater own and operate the scheme and manage the infrastructure according to the rules and requirements of an Interim Resource Operations Licence (IROL).

The water supply scheme supplies approximately 315 water entitlements, comprising 115 interim water allocations to take surface water, 150 licences to take groundwater, and 50 land owners on the Morton Vale pipeline (supplied under water supply agreements with Seqwater). These entitlements and water supply agreements are recognised as supplemented because they receive benefit from the operation of the water supply scheme. These supplemented entitlement holders are customers of Seqwater and are charged annually for their water usage.

Groundwater entitlement holders in Implementation Area 1 outside the supplemented area are regarded as unsupplemented and are managed by the ~~the~~ department.

Figure 1: Area to which proposed amendments apply*



*It should be noted that the proposed plan amendment will only apply to those supplemented surface water entitlements, supplemented groundwater entitlements and water supply agreements managed as part of the Central Lockyer Valley WSS

Statement of Proposals to amend the Moreton Water Resource Plan and Resource Operations Plan, Department of Natural Resources and Mines, ~~October~~September 2015

4 Amendments to the Moreton WRP and Moreton ROP

Water entitlements in the Central Lockyer Valley WSS are currently specified in one of three ways:

- surface water interim water allocations that describe an area that can be irrigated (hectares)*
- groundwater licences that state land parcels that may be irrigated (expressed as Lot on Plan)
- an entitlement volume for those supplied by the Morton Vale Pipeline.

One of the broad aims of the proposed amendments to the Moreton WRP is to explore options for converting all water entitlements supplemented by the operation of the Central Lockyer Valley WSS to tradeable, volumetric water allocations. This will create consistent water entitlement specifications across the scheme as well as providing water users with the option for water trading.

The other aim of the proposed WRP amendments is to define water allocation security objectives for both groundwater and surface water in the Central Lockyer Valley WSS which must be met when determining scheme management rules.

In line with the WRP amendment, it is proposed that the amendments to the ROP will set the volume for each water allocation in the scheme as well as detailing the management rules for water sharing, infrastructure operating and trading water within the Central Lockyer Valley WSS.

Unsupplemented surface water and groundwater entitlements are beyond the scope of this proposed amendment to the Moreton WRP and ROP. However, it should be noted that the boundary between the supplemented and unsupplemented groundwater entitlement areas of Implementation Area 1 will be reviewed as part of this Statement of Proposals (see section 5.2.1 for more information).

Before implementing the proposed amendments, draft amendments to the Moreton WRP and ROP will be prepared for public comment.

4.1 Amendments to the Moreton WRP

Water resource plans provide the management framework for water resources by outlining outcomes, objectives and strategies for achieving a sustainable balance between water for industry, irrigators, town water supply and the environment. The following issues, which fall within the jurisdiction of a water resource plan, are proposed to be addressed under the Moreton WRP amendment.

4.1.1 Providing security for groundwater entitlements

Current provisions

Water Allocation Security Objectives (WASOs) for supplemented water are provided in Schedule 8 Part 1 of the Moreton WRP. For the Central Lockyer Valley WSS, the Moreton WRP states two supplemented WASOs—one for water allocations in the medium priority group in Laidley Creek and another for water allocations in the medium priority group in Lockyer Creek. Further, section 47 of the plan states that water allocations to take supplemented surface water or groundwater identified by an interim resource operations licence belong to the medium priority group.

Issues

WASOs are measures that can be calculated to be used as a strategy to protect an allocation holder's share of a water resource. Water resource plans state WASOs that must be met when considering changing current management arrangements or water sharing rules. The Water Act requires that a water resource plan includes WASOs where the plan provides a framework for establishing water allocations.

However, the WASOs for Central Lockyer Valley WSS as stated in the Moreton WRP only apply to surface water in either Laidley or Lockyer Creek.

*Currently only Crowley Vale Water Board and Laidley Golf Club hold interim water allocations that state an annual volumetric limit in ML

What will be explored?

It is proposed to revise the WASOs for the Central Lockyer Valley WSS to provide appropriate security objectives for both surface water and groundwater. It is also proposed to review the definition of medium priority groups so that the distinction between surface water and groundwater supplies can be recognised.

4.1.2 Providing for conversion of entitlement

Current provisions

The Moreton WRP provides for determining the nominal volume for converting interim water allocations to water allocations in the Central Lockyer Valley WSS. It also provides for granting interim water allocations to landowners that have a contractual arrangement for water supplied by the Morton Vale Pipeline.

Issues

There are three different groups of authorisations supplied by the Central Lockyer Valley WSS—interim surface water allocations, supplemented groundwater licences and contracts on the Morton Vale Pipeline. Each of these groups have different entitlement specifications—interim surface water allocations state an area that can be irrigated each year, groundwater licences simply state the land parcels that may be irrigated and Morton Vale contracts state an annual volume.

While the Moreton WRP provides for converting surface water entitlements to water allocations, it does not currently provide for converting supplemented groundwater licences to water allocations or for converting Morton Vale Pipeline contracts directly to water allocations.

What will be explored?

It is proposed to amend the Moreton WRP to provide the statutory framework for converting all supplemented water entitlements and contractual arrangements to water allocations. It is proposed that the process and details for conversion which would be part of the amendment to the Moreton ROP would be based on previous assessments prepared in conjunction with water users and the Central Lockyer Community Reference Group, alongside additional information gathered about the millennium drought and recent flood events.

4.2 Amendments to the Moreton ROP

Strategies contained within the Moreton WRP are implemented through a resource operations plan. The following issues which fall within the jurisdiction of a resource operations plan are proposed to be addressed under the Moreton ROP amendment.

4.2.1 Boundaries of the supplemented groundwater area

Current provisions

Implementation Area 1 is one of four implementation areas within the Lockyer Valley groundwater management area, shown in Schedule 3 of the Moreton WRP. Implementation Area 1 consists of the alluvial aquifers—defined as 'groundwater unit 1' in the Moreton WRP.

The Moreton WRP states that groundwater unit 1 within Implementation Area 1 consists of the supplemented groundwater area and the unsupplemented groundwater area. In particular, the supplemented groundwater area is defined as the part of Implementation Area 1 that contains groundwater that is recharged by water supplied by the authority to operate the Central Lockyer Valley WSS. The Moreton WRP also provides that the resource operations plan must state the boundaries of the supplemented groundwater area.

Issues

The recognition that some areas in groundwater unit 1 benefit more than others from recharge of groundwater as a result of releases from the Central Lockyer Valley WSS was based on an evaluation

of groundwater levels from monitoring bores and release data from the storages. This evaluation was first undertaken in 1991 to determine benefits from Bill Gunn Dam and then again in 1996–97 to identify an extended benefited area after releases began from Lake Clarendon.

The existing benefited groundwater area (supplemented groundwater area) is identified in the Central Lockyer IROL as Schedule 2.8.

As required under the Moreton WRP, the amended Moreton ROP will need to state the boundaries of the supplemented groundwater area. While it is generally considered that the existing boundary is a good representation of the supplemented groundwater area, it is appropriate to review this boundary as part of this amendment to the Moreton plans.

What will be explored?

It is proposed to review data from monitoring bores to evaluate those areas in groundwater unit 1 that receive benefit from scheme releases. This will ensure that the determination of the boundary is based on best available data and any recent improvements in understanding of the behaviour of the groundwater system. It is not expected that there will be significant changes in the current boundary, however in those areas where the boundary is under review, representatives of the department will be in contact with land owners of the properties under review to discuss the process.

4.2.2 Infrastructure operating and water sharing rules

Current provisions

Currently water sharing and infrastructure operating rules are stated in the IROL for the Central Lockyer Valley WSS. These rules outline the process for determining announced allocations for customers on the Morton Vale pipeline and for the Crowley Vale Water Board. The IROL also provides the rules for diverting water into Lake Clarendon and Lake Dyer as well as for releasing water for downstream surface water entitlements and to maintain water levels in downstream recharge weirs.

Issues

The IROL does not provide for an equitable share of the water resource as the water sharing rules do not provide for the determination of announced allocations for each group of entitlement holders. Announced allocations currently only apply to Morton Vale Pipeline, Crowley Vale Water Board and Laidley Golf Club. Announced allocations are not currently provided for any other surface water entitlements within the Central Lockyer Valley WSS.

For groundwater entitlements, while there are currently no announced allocation rules, the IROL states that an announced allocation procedure for groundwater will be prepared following conversion of existing groundwater entitlements to volumetric allocations and outlines the information that will be considered as part of this procedure.

In addition, the release rules as currently stated in the IROL may need clarification to improve the way water is shared between the different water user groups.

What will be explored?

Current IROL arrangements will be reviewed with the intention of establishing a new set of announced allocation procedures for all surface water and groundwater entitlements supplied by the scheme. The development of the rules will consider both the volume of water throughout the scheme along with rules for the operation of scheme infrastructure to store and release water. The resulting announced allocation procedure will provide important information about the water available for each water allocation group from year to year.

It is also proposed to refine current infrastructure operating rules to ensure the rules are more transparent and better reflect day-to-day operating practices to enable more efficient management of the scheme.

4.2.3 Water trading rules

Current provisions

Trading is permitted in the scheme but is limited to seasonal water assignments (also referred to as temporary trades). Temporary trading is further limited to holders of interim water allocations with a stated volume on their entitlement—this includes the Laidley Golf Club, Crowley Vale Water Board, and Morton Vale Pipeline irrigators. Requests for temporary trades in the Morton Vale Pipeline are also subject to engineering assessment.

Issues

Seasonal water assignments, or temporary trades, are the only form of water entitlement transfer allowed under the IROL and are currently limited to those entitlements that state a volumetric limit. There are currently no opportunities for permanent water entitlement transfers as all existing entitlements are still attached to the land. This means that permanent change of entitlement ownership can only occur as part of the process of land disposal and/or acquisition. This limits the opportunity to buy, sell or lease water entitlements.

What will be explored?

Proposed amendments to the Moreton WRP would provide for the conversion of the following to tradeable water allocations:

- surface water interim water allocations
- groundwater licences
- water supplied under Morton Vale Pipeline contract arrangements.

This would require new provisions in the Moreton ROP to provide for seasonal and permanent trading of water allocations for each of these groups of entitlements holders, supporting more flexible access to water.

5 Science

In a highly connected surface water-groundwater system like the Central Lockyer Valley WSS, key tools to support decisions about allocating and managing water include the development of surface water and groundwater hydrological models.

The surface water model developed for the Moreton WRP is based on recorded stream flows, rainfall records, metered water use, entitlement data and typical cropping patterns for the period 1889–2000. This model was used to define water allocation security and environmental flow objectives as stated in the Moreton WRP. To continue to protect existing access to water and support natural ecosystems dependent on water, it is a requirement of the plan that these objectives continue to be met when considering proposed management arrangements in the Central Lockyer Valley WSS.

The Central Lockyer groundwater model was finalised in 2000 and related to the period 1987–97. At the time, this period was considered representative of the long-term climatic pattern. The model was informed by extensive information about groundwater levels, metered water use and bore stratigraphy. Outputs of the model were important inputs into the surface water model which help ensure that the surface water model suitably represents connected surface water-groundwater processes in the Central Lockyer Valley.

However, in recent years the subcatchments of the Moreton WRP area have experienced an extended period of drought followed by several years of flood and above-average stream flows. In collaboration with the Department of Science, Information Technology and Innovation, both the surface water and groundwater models are currently being updated so that the most recent hydrological events are represented. Throughout the development of water allocation volumes, trading rules, water sharing rules and infrastructure operating rules, the extended models will be

tested against the plan outcomes to ensure that both the surface water and groundwater models continue to represent hydrological processes in the plan area.

6 Consultation

Release of this Statement of Proposals marks the start of the formal submission period, and provides an opportunity for all interested stakeholders to provide a submission on the proposed amendments.

The department will advertise the availability of the Statement of Proposals in the following ways:

- public notices in the Queensland Country Life and the Gatton, Lockyer and Brisbane Valley Star newspapers
- media release
- letters to water entitlement holders, industry and environmental representative groups, and local governments
- a page on the department's website specifically about the proposed plan amendments.

The department will also conduct a number of consultation activities in support of the release of the Statement of Proposals and to help with preparing submissions. Firstly, an information session will be held in the plan area to provide an opportunity to further discuss the issues contained in the Statement of Proposals. This will take place prior to the close of the submission period as follows:

<u>Date</u>	<u>Time</u>	<u>Venue</u>
<u>17 November 2015</u>	<u>10.00am to 12.00pm</u>	<u>Gatton Shire Hall, 52 North Street, Gatton-</u>

Please register your interest in attending by phoning the department's Woolloongabba office on 1800 308 252.

Secondly, following the formal submission process, the department will hold targeted workshops with smaller groups of water users. Details of how water users can be involved in this consultation will be provided during the information session, or alternatively contact the department's Woolloongabba office on 1800 308 252 to register your interest.

Thirdly, as part of the process to review the boundary between supplemented and unsupplemented groundwater areas, the department will personally contact those water users whose entitlement is attached to a land parcel to which the proposed boundary review applies, to discuss the review process and its implications.

Preliminary peak body consultation has also been undertaken with the Water Engagement Forum which represents statewide interests in water policy issues. Indigenous groups with interests in the Moreton WRP area have also been contacted about the proposed amendments to the Moreton WRP and ROP.

Advice on how to provide a submission on the Statement of Proposals can be found in section 9.

7 Next steps

Following the close of the submission period, submissions will be collated and analysed and used to guide the development of draft amendments to the Moreton WRP and ROP. The department will then prepare the draft plan for release, at which time all water users and other interested parties will have another opportunity to make formal submissions on the proposed plan changes. Water users are encouraged to check the department's website www.dnrm.qld.gov.au to keep up to date with these planning activities.

8 Further information

Your local DNRM officers are also available to talk to you about what these changes may mean for you. Should you have any further enquiries, please contact Davin Hansen, Senior Project Officer, Water Planning Service Delivery, South Region on 1800 308 252. Alternatively, email the Moreton team at wrpMoreton@dnrm.qld.gov.au.

9 How to make a submission

Anyone can make a submission on the Statement of Proposals. Submissions may be made in writing and posted, emailed or faxed to the department, or made online by 5pm, ~~1127 November~~ December 2015.

To make a written submission, please use the submission form included in this document (refer Appendix A) and complete the checklist on the form to ensure the submission is properly made. Only properly made submissions will be considered in preparing draft amendments to the Moreton WRP and ROP.

Mail

Postal address:

Chief Executive
Attn: Moreton WRP Coordinator
Water Planning
Department of Natural Resources and Mines
GPO Box 2771
Brisbane QLD 4001

Street address:

Chief Executive
Attn: Moreton WRP Coordinator
Water Planning
Department of Natural Resources and Mines
Level 3 Landcentre
Cnr Main Street and Vulture Streets
Woolloongabba QLD 4102

Facsimile 07 3224 2933

Email wrpMoreton@dnrm.qld.gov.au

Online www.getinvolved.qld.gov.au

Enquiries

Phone the Department of Natural Resource and Mines on 1800 308 252.

All submissions will be treated with sensitivity and wherever possible in confidence. However, submissions may be viewed by other parties under the provisions of the *Right to Information Act 2009* and the *Information Privacy Act 2009*.

Statement of Proposals to amend the Moreton Water Resource Plan and Resource Operations Plan, Department of Natural Resources and Mines, ~~October~~ September 2015

10

Appendix A: Submission form

(Please use a ballpoint pen to complete this submission).

Office Use Only

Submission No:.....

Date Received:.....

Title and surname

First name(s)

Address

Postal address (if different)

Organisation

Position

Telephone

Mobile

Facsimile

Email

Signature(s)

Date

Which interest group(s) do you primarily represent (e.g. irrigator, water harvester, groundwater user)?

.....

.....

.....

In which part of Implementation Area 1 are you located (you may tick more than one box) ?

<input type="checkbox"/> Lockyer Creek	<input type="checkbox"/> Laidley Creek
<input type="checkbox"/> Morton Vale Pipeline	
<input type="checkbox"/> Other (please specify)	

What type of water entitlement do you have?

<input type="checkbox"/> Supplemented surface water	<input type="checkbox"/> Supplemented groundwater
<input type="checkbox"/> Unsupplemented surface water	<input type="checkbox"/> Unsupplemented groundwater
<input type="checkbox"/> Water supply agreement	
<input type="checkbox"/> Other (please specify)	

Workshops

Following the submission process, the department will be holding a number of workshops to discuss the proposed allocation process for sharing water within the Central Lockyer Valley WSS.

If you would like to participate in any of these workshops, please provide contact details where the department can reach you to let you know about these workshops.

Telephone:

Mobile:

Email:

Facsimile:

Other:

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What issues in the Statement of Proposals for the amendment of the Moreton WRP and ROP do you support? What issues concern you? How do you think the Moreton WRP and/or ROP can be improved to address these or other issues (within the scope of the proposed WRP and ROP amendments)?

.....

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Please tick this box and attach a detailed submission if more space is required.

Checklist

Please follow these five steps to ensure the submission is completed correctly:

- Details of each person making the submission have been specified.
- Each person or authorised representative making the submission has signed the submission form.
- The grounds for making the submission, and the facts and circumstances relied on in support of the submission have been stated.
- If additional space is required, the box at the end of the submission form has been ticked and the detailed submission is attached.
- Submission made by the closing date **5pm, 11~~27~~ December~~November~~ 2015**

Statement of Proposals to amend the Moreton Water Resource Plan and Resource Operations Plan, Department of Natural Resources and Mines, ~~October~~**September** 2015

Attachment 2: Public Notice of statement of proposal

Public Notice of Statement of Proposals to prepare amendments to the Water Resource (Moreton) Plan 2007 and the Moreton Resource Operations Plan 2009

1. Purpose and reasons

Notice is given under section 40 of the *Water Act 2000*, that the Minister for Natural Resources and Mines proposes to amend the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan 2009 and has made available a Statement of Proposals for public submissions.

The preparation of a draft water resource plan amendment and resource operations plan amendment will include proposals for the allocation and management of water in the Central Lockyer Valley Water Supply Scheme.

2. Plan area

The Moreton water resource plan area is identified in the map shown in this Notice which is indicative only. The plan area and more detail on the exact boundary locations of the plan area are held in digital electronic form by the department and may be inspected at the department's offices at:

- Level 2 Landcentre, Cnr Main and Vulture Streets, Woolloongaba; and
- Gatton Research Station, Warrego Highway, Gatton.

3. Water in the plan area to which the amended water resource plan is to apply

The amended plan will continue to apply to the following water in the Moreton water resource plan area:

- surface water in a watercourse or lake, and in springs not connected to groundwater; and
- groundwater (other than groundwater to which the Water Resource (Great Artesian Basin) Plan 2006 applies), and overland flow other than water in springs connected to groundwater.

Specifically, the proposed amendments will apply to supplemented surface water managed by the Central Lockyer Valley Water Supply Scheme, supplemented groundwater within Central Lockyer Creek implementation area 1 recognised as benefitting from releases from the Central Lockyer Valley Water Supply Scheme and supplemented surface water supplied under water supply agreements to landholders located on the Morton Vale pipeline.

4. Statement of Proposals

A Statement of Proposals has been prepared in accordance with section 39 of the *Water Act 2000* to address water allocation and sustainable management issues in the Water Resource (Moreton) Plan 2007 area proposed for amendment.

5. Inspection of Statement of Proposals

The Minister's Statement of Proposals for amending the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan 2009 may be:

- inspected, or obtained free of charge by, contacting the Department of Natural Resources and Mines ('the department') as specified in Clause 8 of this Notice;
- viewed or downloaded from the department's website at www.dnrm.qld.gov.au; and
- inspected at Lockyer Valley Regional Council - 26 Railway Street, Gatton.

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6. Public information sessions

[A public information session regarding the Statement of Proposals will be held as follows:](#)

<u>Date</u>	<u>Time</u>	<u>Venue</u>
-------------	-------------	--------------

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17 November 2015 10.00am to 12.00pm Gatton Shire Hall, 52 North Street,
Gatton

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~~Public information sessions regarding the Statement of Proposals will be held during the public submission period. Please check the department's website for details.~~ If you wish to attend a session, please contact the department on 1800 308 252 or email wrpMoreton@dnrm.qld.gov.au to register your interest.

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7. Submissions

Anyone may make a submission about the Statement of Proposals to amend the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan 2009. Submissions must:

1. be in writing and signed by each person who made the submission, unless the submission is electronic, in which case no signature is required;
2. state the name and address of each person who made the submission;
3. state the grounds of the submission and the facts and circumstances relied on in support of the grounds; and
4. be received by the person stated in Clause 8 of this Notice on or before **5pm on 11~~27~~ December, November, 2015**.

Email, fax and online submissions will be accepted.

Submissions should identify information that is considered confidential. The department will endeavour to maintain the confidentiality of information that is identified in this way, however submissions are subject to the Right to Information Act 2009 and information may be required to be released upon requests made under this Act. Furthermore, other legal obligations, such as the processes of the courts or natural justice may also override confidentiality.

8. Enquiries

Submissions on the Statement of Proposals to amend the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan 2009 must be addressed to:

Postal address:

Chief Executive
Attn: Moreton WRP Coordinator
Water Planning
Department of Natural Resources and Mines
GPO Box 2771
Brisbane-BRISBANE QLD 4001

Facsimile: 07 3224 2933

Email: wrpMoreton@dnrm.qld.gov.au

Street address:

Chief Executive
Attn: Moreton WRP Coordinator
Water Planning
Department of Natural Resources and Mines
Level 3 Landcentre
Cnr Main Street and Vulture Streets
Woolloongabba-WOOLLOONGABBA QLD 4102

Online: Get Involved

Further enquiries should be directed to the Moreton WRP Coordinator, Water Services South, Department of Natural Resources and Mines on 1800 308 252. Alternatively, information can be viewed or downloaded via the department's website at www.dnrm.qld.gov.au.

Dated this 29~~16~~th day of October 2015

Dr Anthony Lynham MP
Minister for Natural Resources and Mines

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Abbreviated public notice for publication in newspapers

Statement of Proposal to prepare amendments to the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan 2009

The Minister for Natural Resources and Mines proposes to prepare draft amendments to the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan 2009 and has made available a Statement of Proposals.

The Statement of Proposals for the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan 2009 can be viewed or downloaded from the Department of Natural Resources and Mine's website www.dnrm.qld.gov.au. Alternatively it may be inspected, or obtained free of charge, by contacting the department's office in Woolloongabba, Brisbane on 1800 308 252 or viewed at the following local government authority:

- Lockyer Valley Regional Council – 26 Railway Street, Gatton.

Anyone may make a submission about the Statement of Proposals. Submissions must be received on or before 5 pm on ~~27~~¹¹ December ~~November~~ 2015. Please refer to the department's website: www.dnrm.qld.gov.au for details about public information sessions.

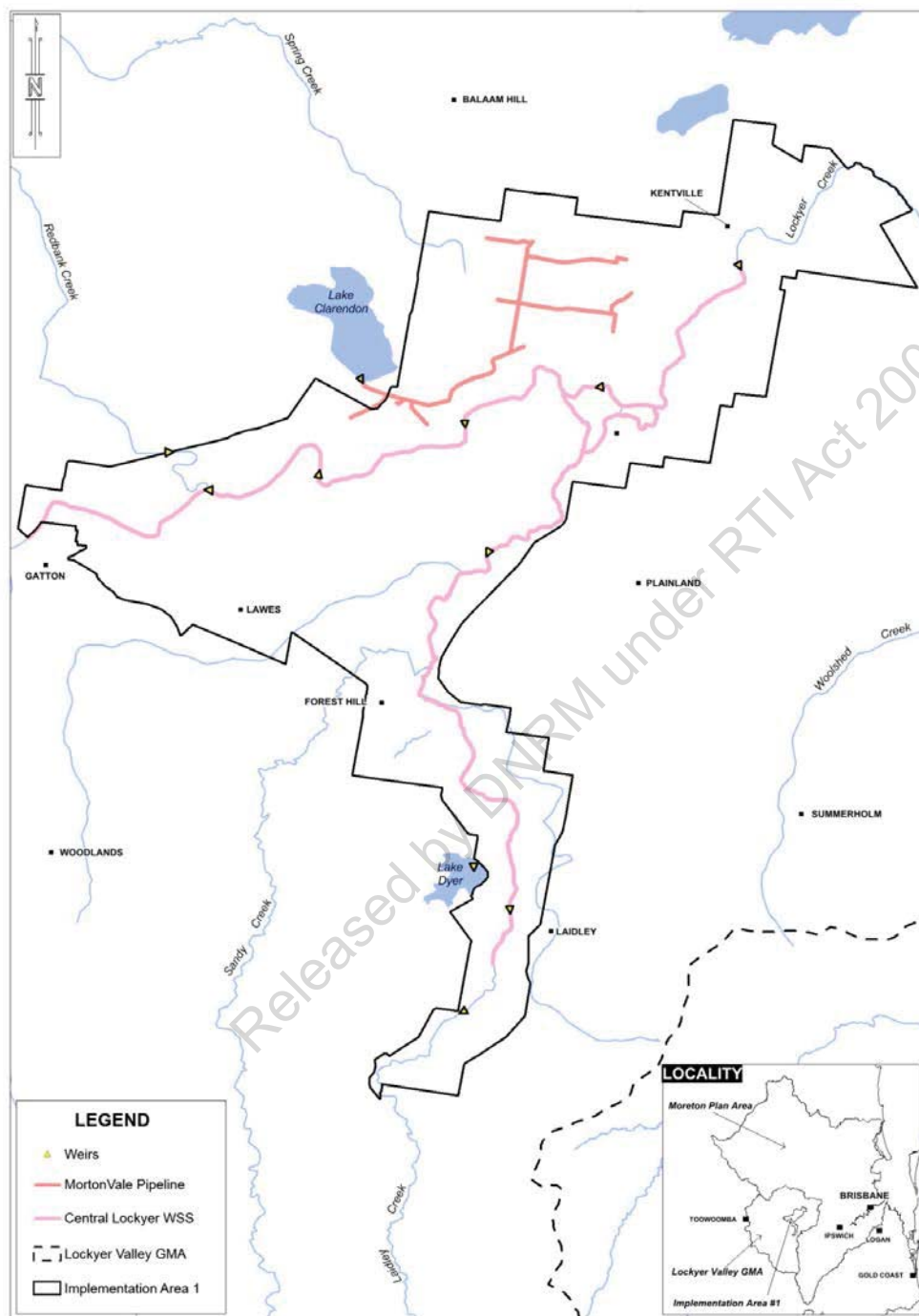
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Attachment 3 – Central Lockyer Valley Water Supply Scheme – Summary

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- The Central Lockyer Valley Water Supply Scheme (WSS) is owned and operated by Seqwater. As the Moreton Resource Operations Plan (ROP) has yet to be amended to include the Central Lockyer Valley WSS, scheme infrastructure is operated according to the rules and requirements of the Interim Resource Operations Licences (IROL) for the Central Lockyer Valley WSS, issued by the department in July 2008.
 - Under the IROL, water is diverted from Lockyer Creek into Lake Clarendon Dam (24300 ML) and from Laidley Creek into Bill Gunn Dam (6950 ML) - see Figure 1. The rules allow water to be released from Lake Clarendon and Bill Gunn Dam back into the creek systems in order to maintain water levels in the downstream groundwater recharge weirs.
 - ~~6~~Six weirs are located along Lockyer Creek (including Jordan II Weir on Redbank Creek) and ~~3~~three weirs are located on Laidley Creek. These weirs aid the recharge of the Lockyer and Laidley creek alluviums by retaining water in the system longer, allowing more water to permeate and recharge the alluvium.
 - The IROL requires that Seqwater share scheme water with three different groups of water users:
 - **Water users on the Morton Vale pipeline** – supplied from Lake Clarendon. Seqwater have entered into individual water supply agreements for supplying landholders on the pipeline. While each contract states an annual volumetric limit, the landholders do not hold individual water entitlements. The IROL states that the total annual volume of water that may be supplied to landholders on the Morton Vale pipeline is 3,507 ML. The IROL provides an announced allocation system to define the percentage of the total allocation that is available from Lake Clarendon for this group of water users each year. The Moreton WRP currently states a process for granting interim water allocations to landholders on the pipeline to replace individual water supply agreements.
 - **Surface water users** - supplied by releases from Lake Clarendon and/or Bill Gunn Dam. These water users currently hold interim water allocations that generally entitle the take of surface water for irrigating a specified area. Surface water is recognised as unreliable and is generally used as a support for groundwater entitlements. Under the current rules, water users can take water when it is available. Apart from an announced allocation for Crowley Vale Water Board on Laidley Creek, there is no announcement to state the share of the available water that belongs to this group of entitlements. There are around 115 interim water allocations with a total entitlement for irrigating approximately 1,500 hectares. Crowley Vale Water Board has an allocation for 325 ML and Laidley Golf Club has an allocation for 60 ML.
 - **Supplemented groundwater users** – supplied through aquifer recharge as a result of releases from Lake Clarendon and/or Bill Gunn Dam. These water users hold a water licence that entitles the take of groundwater for irrigation. The entitlements do not specify either an annual volume or an area for irrigating. There is no announcement to state what share of the available water belongs to this group of entitlements. There are approximately 150 supplemented groundwater licences.
- NB: Adjacent to the alluvium regarded as benefitted by the scheme, is an area of alluvium considered not benefitted by scheme releases. These entitlements are considered unsupplemented groundwater licences and are not part of the proposal to amend the Moreton [Water Resource Plan 2007 \(WRP\)](#) and ROP.

Figure 1: Central Lockyer Valley Water Supply Scheme



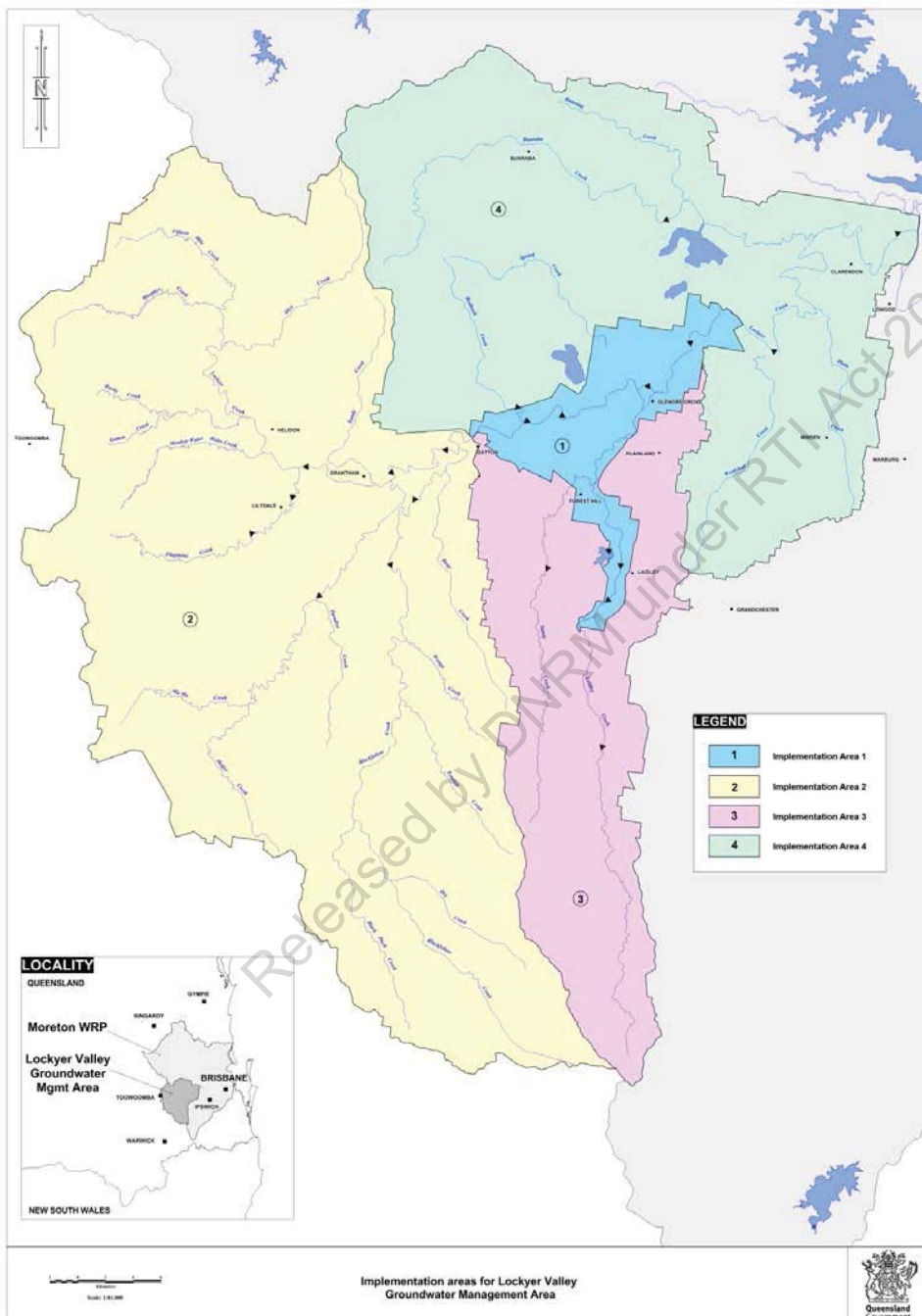
*It should be noted that the proposed plan amendment will only apply to those supplemented surface water entitlements, supplemented groundwater entitlements and water supply agreements managed as part of the Central Lockyer Valley WSS (see figure 3 for boundaries of supplemented groundwater area)

- While there are very few formal volumetric entitlements for taking water from the scheme (Crowley Vale Water Board and Laidley Golf Club are the notable exceptions), each entitlement has been metered with the intention this information would be used in the future for determining volumetric entitlements.

History of water management in the Central Lockyer Valley

- In 1988, the Central Lockyer Valley area was declared as the Clarendon subartesian area to promote the sustainable use of groundwater and to recover operational costs associated with the construction of Bill Gunn Dam (1987) and the proposed construction of Lake Clarendon Dam (built in 1992).
- The declaration of the Clarendon subartesian area was based on defining that part of the alluvium that receives recharge of groundwater as a result of releases from the Central Lockyer Valley ~~water supply scheme~~ (WSS). Each existing groundwater user was issued a groundwater licence without a volume and meters were installed on the bores.
- Later on, groundwater licence holders were further divided. Firstly in 1991, groundwater licence holders were divided into two groups – those identified as receiving benefit from releases from Bill Gunn Dam (supplemented) on Laidley Creek and those that did not receive benefit from releases from Bill Gunn Dam (unsupplemented). This distinction was based on an evaluation of groundwater levels from monitoring bores and release data from storages. Only those properties where the department could prove water level rises were a result of releases were included in the supplemented groundwater areas.
- The same evaluation was carried out in 1996/97 to identify an extended benefitted area after Lake Clarendon on Lockyer Creek came on line.
- The main purpose of making this distinction was to enable water charges. Today, supplemented entitlement holders are customers of Seqwater and are charged annually for their water usage, while unsupplemented entitlement holders are managed by the department and are charged a flat rate annual licencing fee only.
- The Moreton WRP ~~2007~~ transitioned the Clarendon subartesian area to be part of the broader Lockyer Valley Groundwater Management Area as implementation area 1 (See Figure 2). The Moreton WRP also provides a formal process for the chief executive to convert interim water allocations in the scheme to water allocations, however these provisions have yet to be implemented. ~~However, the~~ Moreton WRP does not include a process for dealing with groundwater licences associated with the Central Lockyer Valley WSS.
- Prior to the commencement of the Moreton WRP in 2007, the department had been working with water users in the Central Lockyer Valley as part of a project to establish volumetric allocations for all surface water and groundwater entitlements in the Central Lockyer area. A process for determining draft allocations was developed in consultation with the Central Lockyer Community Reference Group, however the proposed rules were not implemented at that time due to reprioritising of resources.
- On 1 July 2008, ownership of the Central Lockyer Valley WSS was transferred from Sunwater to Seqwater.

Figure 2: Location of Implementation Area 1 in the Lockyer Valley Groundwater Management Area – Moreton WRP



Queensland Competition Authority report

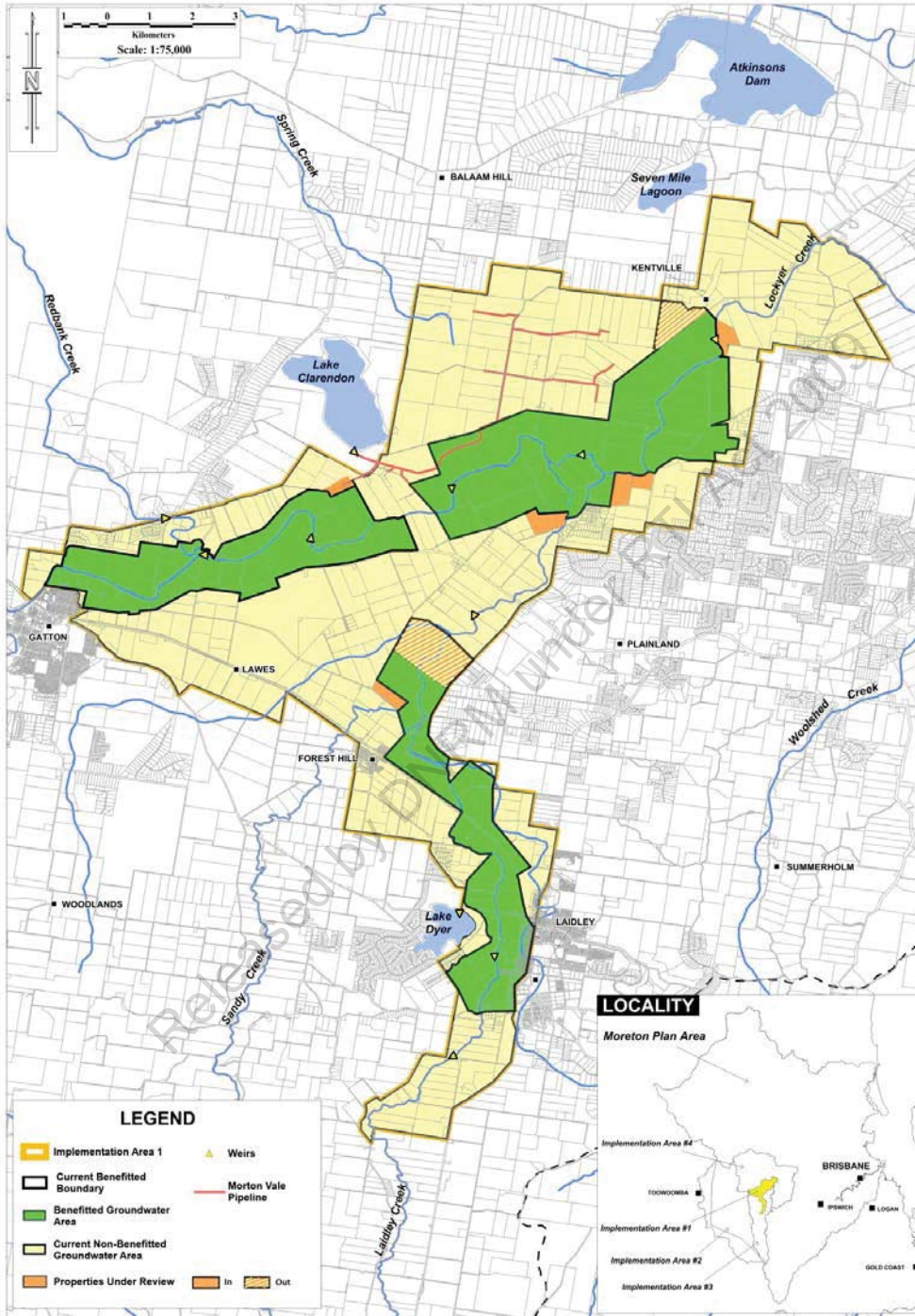
- In January 2012, the Queensland Government directed the Queensland Competition Authority (QCA) to recommend prices for Seqwater's irrigation customers in seven water supply schemes to apply from 1 July 2013 to 30 June 2017.
- QCA's final report, released in April 2013, (*Final Report, - Seqwater Irrigation Price Review 2013-17, Volume 2, Central Lockyer Valley Water Supply Scheme*), recommended that water entitlements in the scheme be converted to water allocations.
- It should be noted that similar recommendations were made for the Warrill Valley and Lower Lockyer Valley water supply schemes, which were implemented in 2014 through an amendment to the Moreton ROP that converted interim water allocations in these schemes to water allocations.
- The introduction of volumetric entitlements would enable Seqwater to implement a tariff structure for charging against both fixed and volumetric costs. Without defined allocations, Seqwater isare currently limited to billing volumetric charges only and reported that in the 2012 water year, \$152,000 in losses resulted from unrecovered fixed charges. It should be noted that the price path for water supply schemes in general across the state is heavily weighted toward fixed charges as the most significant costs are associated with annual maintenance programs and ongoing administration.

Key issues

- **Minor amendments to the boundary between the supplemented and unsupplemented groundwater areas in implementation area 1 may be required (see Figure 3 for areas under review).** This may result in the review of some licences being reclassified as supplemented to unsupplemented and vice versa. The intention is to contact affected entitlement holders about the implications of any proposed changes and then to continue engagement during the preparation of the draft amendments. In addition, other third parties will also have the opportunity to submit on the proposed changes through the release of the draft amendment to the plan.
- **Only supplemented entitlements and contracts associated with supply through Morton Vale pipeline are to be converted to water allocations.** It is not proposed to convert unsupplemented groundwater entitlements to water allocations. Licences were only granted to the unsupplemented groundwater users in this area because of their proximity to parts of the alluvium benefitted by scheme releases. Declaration of the Clarendon subartesian area enabled metering and monitoring which has identified those properties benefitted by the operation of scheme infrastructure. The area of alluvium benefitted by the scheme is currently detailed in the IROL, however, a number of land owners continue to dispute their inclusion in the scheme. The Moreton WRP provides that the official boundary of the water supply scheme is to be detailed in the Moreton ROP.

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Figure 3: Boundaries of supplemented groundwater area under review



- **Providing security for groundwater entitlements** – Water allocation security objectives (WASOs) are used as a strategy to protect an allocation holder’s share of a water resource. Water resource plans state water allocation security objectives that must be met when considering changes to current management arrangements or water sharing rules, and must be stated in a water resource plan if the plan provides for establishing water allocations. The WASOs for the Central Lockyer Valley WSS as currently stated in the Moreton WRP only apply to surface water in either Lockyer or Laidley Creeks, they do not apply to groundwater. It is proposed to revise the WASOs for the Central Lockyer Valley WSS to provide appropriate security objectives for both surface water and groundwater.

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- **Share of available water for surface water.** – In most schemes across the state, water is released during a water year to meet the requirements of surface water entitlement holders based on an announced allocation and an ordering system. This enables water users to order when and how much water they need to meet their farming requirements. However, in the Central Lockyer Valley WSS, water is released from dams primarily to maintain water levels in the weirs to maximise aquifer recharge and supply groundwater entitlements. Releases stop only when the aquifer is recharged or there is no more water left in the dams for releases. Operating the dams in this way means that water for surface water entitlement holders is not ordered, making the availability of water opportunistic. It is proposed to develop an announced allocation system based on how releases are operationally managed from the dam. This will provide more definition around the availability of surface water, enabling these water users to better plan their farming practices.

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Consultation

As part of the process of amending the Moreton WRP and ROP, draft amendments will be released for public consultation and submissions. In developing the amendments it is planned to consult with the affected water users and key stakeholders as follows:

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- **Seqwater** – Officers from the department have commenced consultation with Seqwater. It is proposed to develop scheme water sharing and infrastructure operating rules in close consultation with Seqwater to ensure that the rules are practical and can be implemented as part of daily operational rules to enable sharing the water equitably between the different water use groups. The department is currently meeting with Seqwater every ~~4-6~~four to six weeks or as required. The department has also discussed the implications of the QCA recommendations with water users at Seqwater’s recent annual customer consultation forum held in May 2015.

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- **Entitlement holders** – Opportunities will be provided to seek the views of all supplemented entitlement holders throughout the amendment to the plans. Following formal consultation required as part of the Statement of Proposals, it is proposed to meet with smaller groups of water users. For example, holding local meetings for water users in particular areas of the Central Lockyer_Valley WSS.

As it is proposed to leave unsupplemented groundwater entitlements as licences, it is not intended to undertake additional consultation with these water users. Exceptions to this will be entitlement attached to land where the scheme boundary is under review. In these instances, the entitlement holder will be contacted by mail and phone to discuss the implications of the proposed changes and then to continue engagement during the preparation of the draft amendments.

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- **Other stakeholder consultation** – Officers from the department intend to meet with other stakeholder groups as required. Officers of the department have already met with representatives from Queensland Farmers Federation (~~QFF~~) and intend to engage with other stakeholder groups throughout the development of plan amendments.

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Letters have also been sent to the all members of the Water Engagement Forum, including environment groups, and Indigenous groups prior to release of the Statement of Proposals advising them of the department’s proposed planning activities in the Moreton WRP area. Opportunities to discuss the proposed plan amendments will be given to each of these groups should they request further information.

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Attachment 4 - Groundwater management across the Lockyer Valley and the proposed amendments to the Moreton WRP and ROP

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- In 1988, the Central Lockyer Valley area was declared to be a managed subartesian area (the Clarendon subartesian area) following the establishment of the Central Lockyer Valley Water Supply Scheme (WSS). The declaration was made to promote sustainable groundwater use and to recover costs associated with building the two storages that form part of the water supply scheme.
- The area defined as the Clarendon subartesian area at the time was determined based on limited information about the level of connectivity and the extent of the aquifer that was benefitted by releases from the water supply scheme. A conservative (much larger) area was declared to ensure all parts of the aquifer that received clear benefit from the scheme would be included. All groundwater take within the new Clarendon subartesian area was licenced and metered and a network of monitoring bores established.
- Based on an evaluation of monitoring bore levels and release data, the Clarendon subartesian area was further divided into areas identified as benefiting from releases from the Central Lockyer Valley Water Supply Scheme WSS (supplemented groundwater areas), and those areas that receive no benefit (unsupplemented groundwater areas).
- Across the Clarendon subartesian area, there are approximately 150 supplemented groundwater licences with an estimated cumulative average use of 9,000 ML/annum and 125 unsupplemented groundwater licences with an estimated cumulative average use of 5,000 ML/annum.
- It should be noted that there are approximately 15 licences for which additional groundwater information is currently being collated to determine which of these bores are supplemented by the scheme. At this time, it is expected that 10 licences which were previously identified as unsupplemented will be reclassified as supplemented and 5 licences previously identified as supplemented by the scheme will be reclassified as unsupplemented.
- In other parts of the Lockyer Valley outside of the declared Clarendon subartesian area, groundwater has also been recognised as being stressed through observation of a long term decline in groundwater levels up until 2009. While groundwater levels have recovered in recent years following flood events, evidence suggests that the estimated cumulated average annual use across the valley (46,000 ML/annum) exceeds the estimated safe yield of 25,000 ML/annum.
- In 2007, with the commencement of the Moreton Water Resource Plan, the Clarendon subartesian area was renamed Implementation Area 1. This was to assist in aligning the management of groundwater in the Clarendon subartesian area with the management of groundwater across the entire Lockyer Valley. The Moreton WRP also established implementation areas 2, 3 and 4. The Moreton WRP provides a process to progressively licence all groundwater take across the Lockyer Valley.
- The proposed approach to manage groundwater take in implementation areas 2, 3 and 4 is to firstly undertake an audit of existing works, followed by the establishment of groundwater licences, metering water use and expanding the bore monitoring network. At a later time a ROP process would establish volumetric limits for the entitlements when adequate water use data had been collected.
- In 2009, a process commenced to audit groundwater works in Implementation Area 2, however, this process was not completed. Following floods in 2011 and 2013 and in agreement with the Lockyer Water Users Forum, it was decided to postpone the process to allow communities to address the impacts of the floods. This process has since been deferred due to subsequent re-

prioritisation of projects within the department. It is not proposed to issue groundwater licences in these areas in the immediate future.

- This statement of proposals identifies that only supplemented groundwater licences within Implementation Area 1 will be converted to tradeable water allocations. It is likely that some supplemented groundwater users will contend that the unsupplemented groundwater entitlements in Implementation Area 1 should also be converted through this process due to the proximity of the unsupplemented areas to the scheme.
- However, there are a number of reasons for not including the unsupplemented groundwater as outlined below:
 - Groundwater bores within Implementation Area 1 were only licenced through a process that commenced in 1988 to determine the parts of the aquifer benefitted by the scheme.
 - Many unsupplemented groundwater users in Implementation Area 1 see their operations as having more similarity to other unsupplemented operators in other parts of the valley rather than water users who enjoy supplementation from the scheme.
 - Converting unsupplemented groundwater licences in Implementation Area 1 would likely be seen to be inequitable by the unsupplemented groundwater users affected by the conversion process.
 - Converting all unsupplemented groundwater users across the four implementation areas would ensure a consistent conversion approach rather than converting individual areas which may lead to later conversions being provided a less beneficial conversion.
 - Contrary to the views of some supplemented groundwater users, analysis of existing bore data will allow the department to include all groundwater users who receive measurable benefit from the operation of the scheme in the proposed conversion process.
 - From examination of the aquifer's recharge characteristics, it is unlikely that groundwater take through unsupplemented bores would impact on the water available in the bores supplemented by the scheme.
 - The recommendations of the Queensland Competition Authority Final Report on Seqwater Irrigation Price Review 2013-2017 include the amendment of the Moreton ROP by 30 June 2016 to introduce volumetric entitlements and enable permanent trading in the Central Lockyer Valley [Water Supply Scheme](#).
 - Given the number of unsupplemented groundwater entitlements in Implementation Area 1, if unsupplemented areas were included in this proposed amendment to the Moreton water resource plan, it would not be possible to meet QCA recommendation timelines with existing staff resources.
 - Interest in, and opportunity for, water trading is concentrated in supplemented areas. As flagged through QCA review, converting supplemented entitlements to tradeable water allocations would provide the best return on investment in terms of departmental resources.
- The current provisions of the Moreton WRP allow for the commencement of licencing unsupplemented groundwater users in the remaining three implementation areas at any time. This process is dependent on prioritisation and staffing levels, and does not have an external driver such as the requirement to implement QCA recommendations for the Central Lockyer Valley [Water Supply Scheme](#).
- Considering the objective of the proposed amendment to the Moreton WRP and ROP to implement QCA recommendations alongside the complex issues associated with dealing with unsupplemented groundwater take across the Lockyer Valley, it is proposed that only supplemented entitlements associated with the Central Lockyer Valley [Water Supply Scheme](#) be considered through this process.



10/12

TO: Mr Curtis Pitt
Acting Minister for Natural Resources and Mines

TITLE Extension of submission period for the Statement of Proposals for amendments to the Moreton Water Resource Plan and Resource Operations Plan

ACTION REQUIRED For approval

COPY

PRIORITY Urgent

CRITICAL DATE 11 December 2015

EXPLANATION OF CRITICAL DATE AND ROLE OF SIGNATORY

Urgent approval is requested so that notification of the extension can be published before the end of the current submission period on Friday 11 December 2015.

RECOMMENDATION

That the Acting Minister:

- a. **Approve** the extension of the submission period for the Statement of Proposals to amend the Water Resources (Moreton) Plan 2007 and Moreton Resource Operations Plan 2009 to 29 January 2016.
- b. **Approve** the public notice to be published on the internet and in newspapers (**Attachment 1**)
- c. **Note** that letters advising of the extension will be sent to all entitlement holders in the Central Lockyer Valley Water Supply Scheme and each local government in the Moreton plan area.

Approved / Not Approved / Noted / Please Discuss

.....
Endorsed by: CoS / SPA / PA / APA
Office of the Minister for Natural Resources and Mines

.....
The Honourable Curtis Pitt
Acting/Minister for Natural Resources and Mines

Date: / /

Date: / /

Add to reading pack (Minister's Office use only).

MINISTER'S COMMENTS

Author:	Recommended - ED:	Endorsed - DDG:
Name: Lesley Rogers Policy Officer / Water Policy Phone: 3181 5143	Name: Leanne Barbeler A/Executive Director / Water Policy Phone: 3181 5155	Name: Sue Ryan Title / Division Deputy Director- General Phone: 3199 7740
Date: 4 / 12 / 2015	Date: 8 / 12 / 2015	Date: 9 / 12 / 2015

KEY ISSUES

1. Queensland Farmers Federation (QFF) attended a community forum on the Moreton Statement of Proposals. The community forum was called by the Mayor of the Lockyer Valley Regional Council, Cr Steve Jones on Thursday 3 December 2015.
2. QFF provided the following informal feedback regarding the Moreton planning process:
 - Community commitment to re-establish a local water users forum to provide input into the current planning process. (A local water users forum worked closely with the department during the previous Central Lockyer allocation process in 2000-2003);
 - Once formed, the new water users forum propose to make a submission on the Statement of Proposals and have requested an extension to the submission period;
 - Many of the water users involved in the previous allocation process are still active in the valley and support using the allocation principles developed previously; and
 - Many of these water users believe that the issues raised during the previous process still apply today.
3. At a previous information session regarding the Statement of Proposals on 17 November 2015, Cr Jones raised a number of issues. QFF noted that Cr Jones has now acknowledged that some of the issues raised were beyond the scope of the current planning process.

NEXT STEPS

4. Extend the submission period for the Statement of Proposals until 29 January 2016 to provide time for a new water users forum to be established and to prepare a submission on the Statement of Proposals.
5. Ongoing consultation with the new water users forum and individual water users in the Central Lockyer Valley WSS to seek input into the proposed amendments. This will include a series of workshops in the first quarter of 2016.

SENSITIVITY

6. Routine

CONSULTATION – INTERNAL STAKEHOLDERS

7. Nil

CONSULTATION – EXTERNAL STAKEHOLDERS

8. Informal communication with Ian Johnson of QFF following his attendance at the community forum called by Cr Jones on 3 December 2015.
9. Ian Rickuss, Member for Lockyer, was briefed by the Department of Natural Resources and Mines on 12 November 2015 and requested that a second public information session on the Statement of Proposals be held.

EMPLOYMENT OPPORTUNITIES

10. Nil

RESOURCE IMPLICATIONS

11. Nil

COMMUNICATIONS STRATEGY

12. Media statement. A media statement was not released regarding the publication of the Statement of Proposals on 29 October 2015.

PREVIOUS REFERENCE/S

13. CTS 19136/15 regarding the release of the Statement of Proposals for amendments to the Moreton Water Resource Plan and Resource Operations Plan.

BACKGROUND

14. The Statement of Proposals to amend the Moreton Water Resource Plan and Resource Operations Plan was released on 29 October 2015 with a closing date for submissions of 11 December 2015. The timing of the close of submissions complies with *Water Act 2000*

requirements for a submission period of no less than 30 business days after notice is given of release of a Statement of Proposals.

15. A public information session to brief the local community about the Statement of Proposals was held in Gatton on 17 November 2015.
16. Cr Jones attended the public meeting and raised a number of broad water management concerns.
17. Cr Jones held a community forum in Gatton on Thursday 3 December 2015, attended by approximately 60 people.
18. A second public information session to brief the local community is being held in the area on Wednesday 9 December 2015, at the request of Ian Rickuss, Member for Lockyer.
19. In May 2000 the department initiated a process to set volumetric entitlements on all surface water and groundwater licences in the Central Lockyer. Draft allocation principles were developed in consultation with the Central Lockyer Community Reference Group, comprising representatives from the irrigation community, Gatton and Laidley shire councils and the Queensland University Gatton campus.
20. The allocation setting process was halted due to community concerns that water management was not being addressed across the whole of the Lockyer valley. A whole of valley approach was begun but was not completed due to reallocation of resources.

ATTACHMENTS

21. **Attachment 1:** Public Notice of the extension of the submission period

Released by DNRM under RTI Act 2009

Public Notice: Extension of submission period for public comment on the Statement of Proposals to amend the Water Resource (Moreton) Plan 2007 and the Moreton Resource Operations Plan 2009

Notice was given on 29 October 2015 that under section 40 of the *Water Act 2000*, the Minister for Natural Resources and Mines had prepared a Statement of Proposals for public comment to amend the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan 2009.

The proposed amendments to the Moreton plans focus on the allocation and management of water in the Central Lockyer Valley Water Supply Scheme.

The submission period for public comment on the Statement of Proposals has been extended until 29 January 2016.

Inspection of Statement of Proposals

The Statement of Proposals may be:

- inspected, or obtained free of charge by, contacting the the department as specified at the end of this Notice
- viewed or downloaded from the department's website at www.dnrm.qld.gov.au
- inspected at Lockyer Valley Regional Council—26 Railway Street, Gatton.

Submissions

Anyone may make a submission about the Statement of Proposals to amend the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan 2009. Submissions must:

- be in writing and signed by each person who made the submission, unless the submission is electronic, in which case no signature is required
- state the name and address of each person who made the submission
- state the grounds of the submission and the facts and circumstances relied on in support of the grounds
- be received by the person stated in Clause 8 of this Notice on or before **5pm, 29 January 2016**.

Email, fax and online submissions will be accepted.

Submissions should identify information that is considered confidential. The department will endeavour to maintain the confidentiality of information that is identified in this way, however submissions are subject to the Right to Information Act 2009 and information may be required to be released upon requests made under this Act. Furthermore, other legal obligations, such as the processes of the courts or natural justice may also override confidentiality.

Submissions on the Statement of Proposals to amend the Water Resource (Moreton) Plan 2007 and Moreton Resource Operations Plan 2009 must be addressed to:

Mail:

Chief Executive
Attn: Moreton WRP Coordinator
Department of Natural Resources and Mines
GPO Box 2771
Brisbane QLD 4001

Facsimile: 07 3224 2933

Email: wrpMoreton@dnrm.qld.gov.au

Street address:

Chief Executive
Attn: Moreton WRP Coordinator
Department of Natural Resources and Mines
Level 3 Landcentre
Cnr Main Street and Vulture Streets
Woolloongabba QLD 4102

Online: www.getinvolved.qld.gov.au

Enquiries

If you would like further information about the Statement of Proposals, please contact 1800 308 252 or email wrpMoreton@dnrm.qld.gov.au. Alternatively, information can be viewed or downloaded via the department's website at www.dnrm.qld.gov.au.

Released by DNRM under RTI Act 2009



Department of Natural Resources and Mines

TO: Dr Anthony Lynham MP
Minister for Natural Resources and Mines

TITLE Meeting with Ian Rickuss and delegation of local irrigators regarding Moreton Water Resource Plan Amendment

ACTION REQUIRED For meeting with Ian Rickuss and local irrigators (TBC) on 5 January 2016 at 2.30pm.

PRIORITY Routine

CRITICAL DATE 22 December 2015

EXPLANATION OF CRITICAL DATE AND ROLE OF SIGNATORY
 The critical date is to enable the Minister to have the brief prior to the public holiday breaks and in time for the meeting.

RECOMMENDATION

That the Minister:
 a. Note potential issues to be raised by Ian Rickuss.

Approved / Not Approved / Noted / Please Discuss

Copy of brief to
 49-Sch4 - Signature

49-Sch4 - Signature

Endorsed by: CoS / SPA / PA / APA
 Office of the Minister for Natural Resources and Mines
 Date: 05/01/16

The Honourable Dr Anthony Lynham
 Minister for Natural Resources and Mines
 Date: 11/01/16

Add to reading pack (Minister's Office use only).

MINISTER'S COMMENTS

Author:	Recommended – ED:	Noted - DDG:	
Name: Lesley Rogers Policy Officer / Water Policy Phone: 3181 5143 Date: 16 / 12 / 2015	Name: Wally Kearnan Title / Business Group Phone: 3330 4459 Date: 18 / 12 / 15	Name: Rachael Cronin DDG Natural Resources Phone: 3199 7393 Date: drop copy / /	

KEY ISSUES

1. The Member for Lockyer, Ian Rickuss, attended the second public information session on the Moreton Statement of Proposals held on 9 December 2015 at Glenore Grove.
2. Approximately 50 local irrigators attended the information session, with many voicing strong opposition to the proposed amendments to convert currently uncapped water entitlements in the Central Lockyer Valley Water Supply Scheme to tradeable water allocations with a volumetric limit.
3. During the information session, Mr Rickuss proposed to take a small delegation of representative irrigators to discuss the key issues with the Minister for Natural Resources and Mines; identified concerns included the need for an assessment of the economic impact of the proposed amendments and water use levels in the water supply scheme.
4. Key issues raised during the information session included:
 - a. Concern about the economic viability of the Lockyer Valley following proposed changes to water entitlements; the perception of the meeting attendees were that changes would result in either a reduction of available water by up to two thirds or a greatly reduced allocation rate compared to their current usage.
 - b. Currently water is pumped from the aquifer until it is no longer available/accessible at which time farming is ceased until the aquifer replenishes; the proposed changes would interfere with this approach to water use which is seen by many irrigators as being sustainable and in balance with the system.
 - c. Criticism that the department had not provided any science or data at the information session to support the proposed amendments or to allow informed submissions to be made.
 - d. Lack of information about the socio-economic impact of converting water entitlements to tradeable water allocations.
 - e. Concern that other parts of the Lockyer Valley would not be converted to volumetric water allocations at the same time.
 - f. Questioning of the validity of data used to build the groundwater model particularly in light of poor metered data availability in the last 5-10 years.
5. Since the information session, representatives from the department have provided additional data and discussed issues in more detail where requested.
6. A local water user's forum will be established as a new reference group to work with the department during this allocation process.

NEXT STEPS

7. The department will work with the new water user's forum to progress a shared understanding of the aims of the proposed amendments, particularly in terms of water availability in the scheme and understanding what this means for determining sustainable and equitable water sharing options for all water users in the scheme.
8. The department will then work with the new group and other water users through workshop sessions to develop and agree on principles and rules for the conversion of entitlements.
9. Assess issues raised in submissions.

SENSITIVITY

10. High. Local newspapers (Gatton Star), Win News, Channel 7 Local News and ABC radio have reported on the matters.

CONSULTATION – INTERNAL STAKEHOLDERS

11. The project is being led by Water Services South Region and Water Policy. There has been interaction with Corporate Communications.

CONSULTATION – EXTERNAL STAKEHOLDERS

12. Ongoing informal consultation with Ian Johnson of QFF.
13. Ian Rickuss was briefed by the Department of Natural Resources and Mines on 12 November 2015 on the release of the Statement of Proposals (SoP).
14. Lockyer Valley Regional Councillors McDonald and McLean were briefed on 13 November 2015; Mayor Steve Jones declined an invitation to attend.

15. A public information session to brief the local community on the SoP was held in Gatton on 17 November 2015. Mayor Jones attended that meeting as did Ian Johnson.
16. The department provided additional information to Ian Rickuss in response to questions raised by some of his constituents.
17. Ian Rickuss requested that a second public information session be held; this took place at Glenore Grove on 9 December 2015.

EMPLOYMENT OPPORTUNITIES

18. N/A

RESOURCE IMPLICATIONS

19. N/A

COMMUNICATIONS STRATEGY

20. The department prepared a media statement for the Gatton Star and ABC radio on 11 December 2015 to coincide with the announcement of the extension of the submission period.
21. Letters advising of the extension of the submission period for the Statement of Proposals were sent to all stakeholders on 14 December 2015.
22. Consultation with affected stakeholders will continue through to the release of the draft plan in 2016.

PREVIOUS REFERENCE/S

23. CTS 19136/15 regarding the release of the Statement of Proposals for amendments to the Moreton Water Resource Plan and Resource Operations Plan.
24. CTS 29444/15 regarding the extension of the submission period for the Statement of Proposals for amendments to the Moreton Water Resource Plan and Resource Operations Plan.

BACKGROUND

25. The Central Lockyer Valley Water Supply Scheme is one of only two schemes left in the State still operating under interim management arrangements. Other schemes are part of the water planning framework with water entitlements being converted to volumetric water allocations; consequently, the Central Lockyer Valley is out of step with water reform activity across the state.
26. The key aim of converting water users to tradeable, volumetric water allocations is to provide greater flexibility and security of supply for water users in the Central Lockyer Valley Water Supply Scheme.
27. Water users were first informed about the department's intention to restart this allocation setting process at Seqwater's customer consultation forum in May 2015 where the department was invited to present an update on its water planning activities in the Moreton water plan area.
28. Similar opposition was experienced during the previous process to set volumetric limits on water entitlements in the Central Lockyer some years ago. However, by collaborating closely with the local Water User's forum and the Community Reference Panel, the department did reach agreement on a set of allocation principles and rules as part of this process.
29. The department has stated that this body of work will provide a basis for the current allocation process.
30. Because the Statement of Proposals represents the start of the amendment process, the department will revisit these principles and rules in association with updates to the surface water and groundwater models to ensure that the developed rules and allocation rates reflect the current understanding of the surface water and groundwater systems.
31. Allocation conversion figures quoted in the media and by participants at the two public information sessions have been taken from the previous process and wrongly applied to the current allocation process, and are due to be reassessed.

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DEPARTMENT OF NATURAL RESOURCES AND MINES
RESPONSE TO MINISTER'S OFFICE/DEPARTMENTAL LIAISON OFFICER REQUEST

CTS No.	30887/15
DATE REQUESTED <i>By DLO/Minister's Office</i>	23/12/15
ISSUE	Meeting on 5/1/16 with Ian Rickuss MP and irrigators regarding the Moreton Water Resource Plan amendment
NAME OF CONSTITUENT OR MEMBER OF PUBLIC <i>If applicable</i>	Ian Rickuss MP Irrigators from the Lockyer Electorate: <ul style="list-style-type: none"> • • • 49-Sch4 • •
RESPONDING OFFICER <i>Author</i>	Paul Sanders, Regional Manager, Water, South Region
FINAL APPROVAL <i>DG/DDG/ED</i>	Rachael Cronin, Deputy Director-General, Natural Resources

INFORMATION/ADVICE:

It is recommended the Minister note the following points for the meeting with Ian Rickuss and Central Lockyer Irrigator representatives:

- The aims of the proposed amendment to the Moreton Water Resource Plan and Resource Operations Plan are to:
 - improve the water allocation and management arrangements in the Central Lockyer Valley Water Supply Scheme;
 - meet the community's needs and support sustainable agricultural development; and
 - provide greater flexibility and security of supply for water users by establishing tradeable water allocations.
- The water planning process and decisions will be informed by the best available science.
- The Department of Natural Resources and Mines (the department) will fully engage the with the Central Lockyer community and consider their views throughout the planning process.
- The planning process has only just begun, hence there is limited information available regarding proposed conversion rates and management arrangements as these are generally developed through further consultation with the community.
- Local irrigators have voiced some opposition to the proposed amendments citing specific conversion rates that were developed as a result of a previous attempt to convert to water allocations in the Central Lockyer.
- Local irrigators have also indicated that they will form a Water Users Forum as a means of engaging with the department into the future.
- The department encourages the Central Lockyer community to make submissions on the Statement of Proposals – submissions close on 29 January 2016.

Next Steps:

- The department is committed to working closely with the Central Lockyer community during all stages of the water planning process.
- The department is supportive of the community establishing a Water Users Forum as a means of conducting further meaningful engagement with the local irrigators.
- The department will further engage with the community – most likely through the Water Users Forum – to develop a shared understanding of the water resource and availability in the Central Lockyer.

- Once a shared understanding is reached, the department will engage the community to develop an understanding of, and consider options for, sustainable management of the resource. This will include discussions around options for how water entitlements are to be specified and converted to volumetric tradeable water allocations. For example, consideration of options such as history of use, application of a set conversion rate or a combination of approaches to suit the nature of the scheme.

Other supporting information:

- A Statement of Proposals (SOP) is required where the Minister decides we need formal consultation.
- The SOP covers amendments to Moreton WRP and ROP to improve water allocation and management arrangements.
- The last amendment to the Moreton WRP and ROP was in 2014 - Lower Lockyer and Warrill converting interim water allocations to tradeable water allocations.
- The Central Lockyer is now the only area under interim arrangements.
- The proposed amendment applies to water supplied under Morton Vale pipeline, supplemented surface water and groundwater in the Groundwater Management Area recognised as receiving a benefit.
- The proposed amendment will define volumetric allocations and address Queensland Competition Authority (QCA) recommendations for an irrigation price path (see **attachment**); and will provide supplemented water users secure, certain and flexible supply.
- There are 315 entitlements – 115 Surface Water Interim Water Allocations, 150 Groundwater licences, 50 land owners on the Morton Vale pipeline.
- Seqwater own and operate the Central Lockyer Valley Water Supply Scheme. The unsupplemented area is managed by the department.
- The WRP amendment will define water allocation security objectives to protect water users when management rules change.
- The WRP amendment is supported by hydrologic modelling which incorporates drought/flood cycles.
- The associated ROP amendment will set volumes, rules for water sharing, trading as well as operating rules.
- The proposed amendment area includes the supplemented surface water and groundwater entitlements. Unsupplemented entitlements are not covered, but as the boundary may change some licences may still be in or out of the proposed area.
- Submissions on all aspects of the SOP are encouraged.

Departmental attendees: Paul Martin (Manager Water Services, South Region), Audrey van Beusichem (Director Water Planning South, Water Policy), Darren Moor (Executive Director Central Region).

FACT SHEET

Seqwater Irrigation Prices for 2013-17 – Central Lockyer Valley Scheme

In 2012, the previous State Government directed the Queensland Competition Authority (QCA) to recommend irrigation water prices for the Central Lockyer Valley Water Supply Scheme (WSS) from July 2013 to June 2017. The Government directed that, over time, irrigation prices should recover prudent and efficient asset renewal and operating costs.

After extensive consultation with irrigators, the QCA has released its Final Report. For this scheme, the QCA recommends price increases over the four-year price path. However, in this scheme, prices will not cover costs by the end of the pricing period.

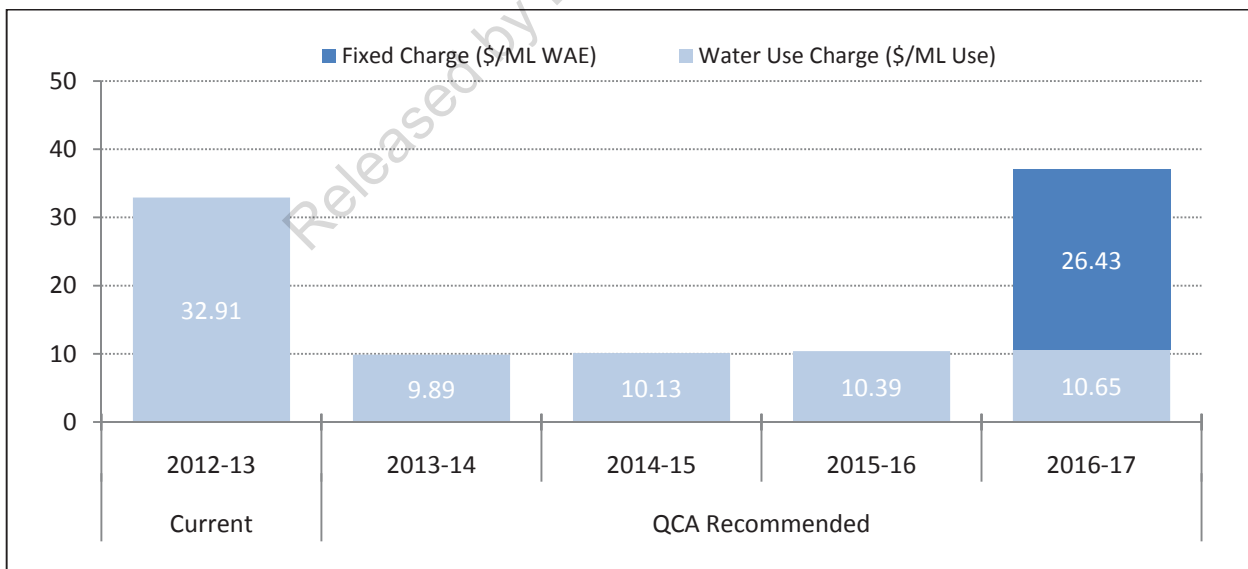
Prices

The QCA recommends a two-part tariff consisting of a fixed charge per megalitre (ML) of water access entitlement (WAE) and a volumetric (or water use) charge per ML. This ensures the equitable sharing of costs.

Variable costs (e.g. a portion of labour costs) are recovered through volumetric charges. In Central Lockyer Valley WSS, the recommended 2013-14 cost-reflective volumetric charge is lower than in 2012-13. To maintain revenues, the balance not recouped by the volumetric charge is usually recovered by the fixed charge. However, in this scheme the QCA recommends that no fixed charge apply until the Government introduces interim water allocations that specify customer entitlement volumes. This should occur by 1 July 2016.

After the change on 1 July 2013, the recommended volumetric charge increases annually by CPI (2.5%) and the fixed charge increases annually, from that which would have applied in 2013-14, by \$2/ML plus CPI.

Figure 1: Current and Recommended Prices – Central Lockyer Valley WSS (\$/ML)

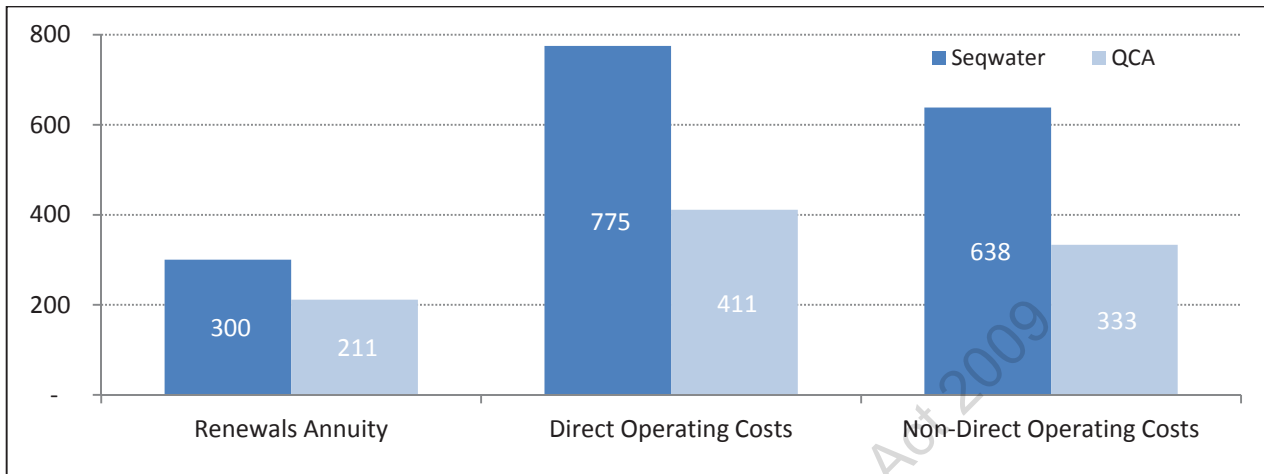


Note: Adding the fixed and volumetric charges can be misleading in terms of price-impact, as volumetric charges only apply where water is used. Consequently, an irrigator's unique water-use profile will determine the impact on individual irrigation water bills from year-to-year. An indicative water-bill analysis appears in Table 1 below.

Scheme Costs

Figure 2 shows Seqwater's proposed and the QCA's recommended renewals annuity (renewal and rehabilitation of existing assets), direct operating (maintenance and on-ground staff) and non-direct operating (overhead and administration) costs for the scheme as a whole. QCA recommended a reduction of 44% in the proposed costs.

Figure 2: Total Scheme Costs (2013-14 \$'000)



Note: Seqwater costs are based on November 2012 submitted renewals and April 2012 submitted direct and non-direct operating costs. Revenue offsets are not included in the charts.

In the absence of a fixed charge actual revenue from the recommended volumetric charge only is forecast at \$39,000 in 2013-14. Cost recovery will improve from the current 35% (implied) to 60% in 2016-17. This represents a subsidy, paid by the Queensland taxpayer, which will reduce over time as recommended prices increase.

Local Impacts

The QCA recommends that the Government introduce permanently tradable water allocations by 30 June 2017. Table 1 presents an estimate of the change in water bills (compared to the bill that would apply were the current charges to continue in real terms), for various levels of water use.

Table 1: Change in Water Bill

Water Use as a Portion of Entitlement Held	Water Bill Change at 2013-14 Prices	Water Bill Change at 2016-17 Prices (upon introduction of the fixed charge)
0%	0%	na
25%	-71%	205%
50%	-71%	66%
75%	-71%	20%
100%	-71%	-3%

Note: 2012-13 prices were inflated at CPI (2.5% per year) to allow comparisons of bills in the years indicated.

What Happens Now?

The Government will consider the QCA's report and decide whether the recommended prices will apply from 1 July 2013 to 30 June 2017