

8 March 2019

Queensland Competition Authority
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Irrigation Price Review 2020–24

Context of submission

Fraser Coast Regional Council (FCRC) is the Resource Operations Licence holder for the Teddington Weir and Wide Bay Water Supply Schemes.

FCRC is also a High Priority Water Allocation customer of 120ML in the Lower Mary River Water Supply Scheme. The following table summarises FCRC's position.

FCRC is responding to the Queensland Competition Authority with the intent of ensuring asset utilisation costs are reasonably assigned.

Table 1: FCRC Water Allocations

Scheme	ROL holder	Water Allocations (Total Nominal Volumes)	
		High Priority	Medium Priority
Lower Mary River Water Supply Scheme	Sunwater	120	
Teddington Weir Water Supply Scheme	Fraser Coast Regional Council	6,819ML 1,360ML (supplied via the Teddington Pipeline from the Lower Mary River Water Supply Scheme)	3,426ML (Third party)*
Wide Bay Water Supply Scheme	Fraser Coast Regional Council	14,020ML	12ML 441ML (Third party irrigators)**

*Total Medium Priority water allocation held by 20 stakeholders upstream of Teddington Weir

**Total Medium Priority water allocation held by 11 stakeholders upstream of Burrum Weir #1

HUF calculations

Attachment A of SunWater's Irrigation Price Review Submission – Headworks Utilisation Factor Technical Paper (dated 6 November 2018), summarises the rationale for the use of the HUF as follows:

Generally, the water sharing rules within the ROP provide a holder of a high priority water entitlement with superior access to the nominal volume²¹ specified on their water entitlement. That is, a holder of a high priority water allocation will usually be able to access a quantity of water equal to their nominal volume more frequently and with less restriction on their water availability than the holder of a water entitlement within a medium or other lesser priority group.²²

This superior performance is achieved through a number of mechanisms including:

- *sharing rules that give high priority water entitlements first access to available water*
- *reserve volumes that specify volumes of stored water to be set aside for future use by high priority water entitlements*
- *storage cut-off rules that restrict access to water supplies by medium priority water entitlements once water storage levels fall below defined levels.*

In the case of the Lower Mary River Water Supply Scheme, the use of the HUF is not considered a suitable method to apportion some of the High Priority water in the Lower Mary as some of these allocations do not in fact benefit from the advantages reported above (first access, access during storage cut offs).

FCRC's 120ML High Priority water allocation is used to supply water to the Tiaro Water Treatment Plant. During low water levels in the Mary Barrage, natural rock barriers along the Mary River prevent water from being ponded from the Mary Barrage to the Tiaro Water Treatment Plant offtake. The Mary Barrage provides no security for this High Priority allocation. When the Prohibition on Taking Water limits access to Medium Priority water, FCRC's High Priority allocation for Tiaro is already cut off by these rock barriers and is only being supplemented by the pools of water adjacent to the offtake.

The Mary Barrage provides no superior access or security for FCRC's High Priority allocation and the suitability of the HUF on the Lower Mary River Water Supply Scheme should be reviewed.

For further information or discussion please do not hesitate to Jeanette Harrold, Environmental Services Manager.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Vanner', written in a cursive style.

MARK VANNER
DIRECTOR
WIDE BAY WATER AND WASTE SERVICES

Contact: Jeanette Harrold
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Reference: Docs #3751915