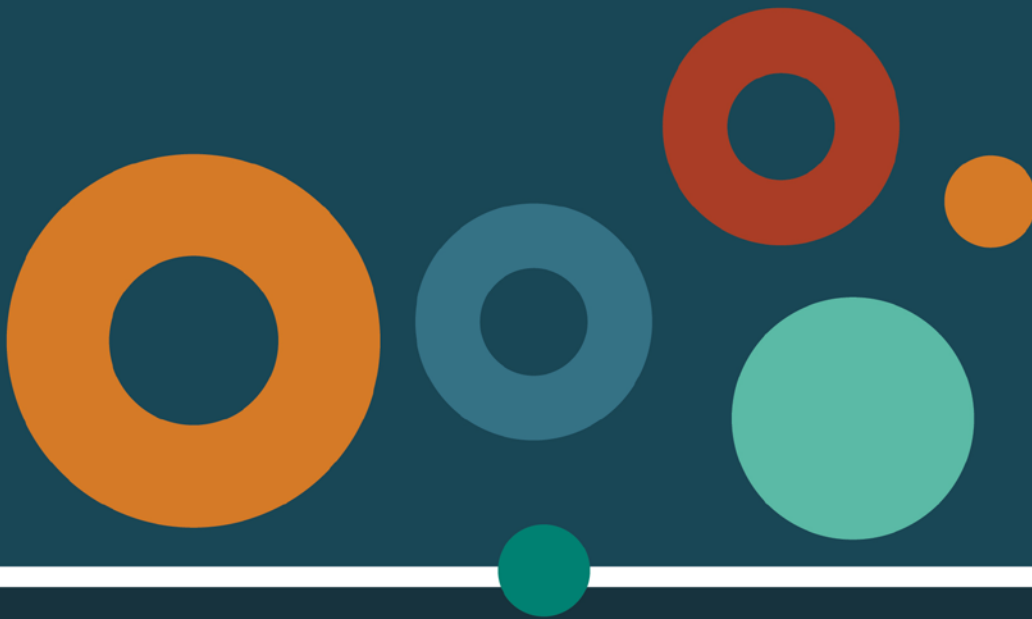


Water Plan (Moreton) (Supply Scheme Arrangements) Amendment Plan 2019

Minister's Consideration Report

December 2019



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Acknowledgement of the Traditional Owners of the Moreton water plan area

The Department of Natural Resources, Mines and Energy acknowledges and pays respect to the Traditional Owners in the Moreton area of Queensland. The contributions of earlier generations including the Elders, who passed on their knowledge of natural resource management, are valued and respected.

The Department acknowledges that the Traditional Owners of this region have a deep cultural connection to their lands and waters and that there is a need to recognise Traditional Owner knowledge and cultural values in water planning.

Foreword

I am pleased to advise that the Water Plan (Moreton) (Supply Scheme Arrangements) Amendment Plan 2019 has been finalised. This report has been prepared to inform stakeholders and the broader community of my considerations in finalising the amendment plan.

There has been an extensive community engagement effort in developing this amendment plan, particularly from representatives from the Lockyer Water Users Forum, Queensland Farmers Federation, Growcom, local water users, Lockyer Valley Regional Council, Seqwater and the community. Your input strongly influenced the new draft water plan amendment released in August 2019 and this final amendment.

My decision to prepare a new draft water plan amendment shows the importance the Queensland Government puts on listening to those who know their water best. I am pleased to report that 25 submissions on the new draft amendment plan were received by the closing date of 1 October with good support for the changes made in response to concerns on an earlier draft.

I am also pleased to report that in November 2019 the Deputy Prime Minister wrote to Seqwater to confirm that \$2.5 million will be made available to support new metering and measuring in the Central Lockyer Valley water supply scheme. At the same time as Seqwater rolls out the new meter network, my department will continue to work with stakeholders to build a new groundwater model.

This means that when the plan is reviewed in five years' time, it will be informed by improved water metering data and an updated groundwater model. This will support further investigations into more complex water trading and sharing arrangements for greater business flexibility in the long term.

Submitters asked that the plan be extended to include groundwater users in the regulated areas adjacent to the Central Lockyer Valley water supply scheme to address concerns of equity and water resource impacts. More work is needed to understand these concerns so I have set a requirement in the amendment plan to assess the risks associated with this groundwater use adjacent to the scheme for inclusion in a Minister's report in mid2021 to guide the way forward.

In parallel to the water plan amendment, the Queensland Government commissioned the preparation of a strategic business case involving input from growers, industry, Seqwater and Lockyer Valley and Somerset regional councils. The Strategic Business Case, published on 27 September 2019, evaluated the viability of additional water supply options into the valley. The Lockyer Valley Regional Council is now taking the outcomes of that strategic business case and proceeding with the development of a detailed business case funded by the Queensland Government through a \$1.4 million grant under the Maturing the Infrastructure Pipeline Program.

I appreciate that water in the Lockyer Valley is a complicated and challenging matter, which is why I also engaged with the Member for Lockyer, Mr Jim McDonald MP to ensure the plan amendment is sustainable, practical, locally relevant and adaptable to new information in the future. Central Lockyer Valley irrigators will now have clarity on their water rights, certainty about their share of the resource and a water market that will drive new growth opportunities.

My sincere thanks to the Lockyer Valley Water Users Forum and the community for contributing to the development of the final water plan amendment.

Hon. Dr Anthony Lynham MP

Minister for Natural Resources, Mines and Energy

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1. Introduction

1.1 Purpose of this report

This report has been prepared by the Minister for Natural Resources, Mines and Energy (Minister) in accordance with section 48(2) of the *Water Act 2000* (the Act).

This report states the considerations made in finalising the *Water Plan (Moreton) (Supply Scheme Arrangements) Amendment Plan 2019* (water plan amendment). It outlines the consultation process undertaken by the department in developing the draft water plan amendment and summarises the issues raised in submissions received and how the issues raised have been addressed. A separate report will be prepared by the chief executive of the Department of Natural Resources, Mines and Energy (department) that summarises the issues raised in submissions relating to the draft water management protocol (protocol), the draft water entitlement notice (water entitlement notice), the draft resource operations licence and the draft operations manual. These documents are expected to be finalised in February 2020.

1.2 Intent of the final water plan amendment

The key provisions in the final water plan amendment provide a framework for sustainably managing and allocating surface water and underground water in the Central Lockyer Valley water supply scheme (scheme) which is located in the Moreton plan area. The key aim of the final water plan amendment is to finalise management arrangements for the scheme in a way that—

- supports the economic and employment profile in the Central Lockyer Valley region that is heavily reliant on agriculture
- ensures an equitable share and management of the water resource across all water users in the scheme
- is adaptable to new information and potentially new sources of water
- provides security for growers, water users, industry, bank and investors.

The final water plan amendment also includes new provisions, which apply to other parts of the plan area including—

- clearer limits on overland flow storages that are permitted under the plan
- establishment of an unallocated water reserve in the Lower Brisbane and Cabbage Tree Creek sub-catchments. The additional water will be available for a community facility or a small scale commercial enterprise.

1.3 Key timeframes for the final water plan amendment

The water planning process to amend the *Water Plan (Moreton) 2007* formally commenced on 29 October 2015 when the statement of proposals was released. One hundred and fifty two submissions were received on the statement of proposals. There were delays at the request of growers before the draft *Water Plan (Moreton) (Supply Scheme Arrangements) Amendment Plan 2018* (former draft water plan amendment) was released on 5 November 2018.

The submission period for the former draft water plan amendment closed on 18 January 2019. Submitters had until the 4 February 2019 to provide further supporting information and 124 submissions were received from irrigators, industry groups and small business owners. The majority

of submissions, including the submission by the Lockyer Water Users Forum, did not support the former draft water plan amendment.

In response to the issues raised on the former draft water plan amendment, a new draft *Water Plan (Moreton) (Supply Scheme Arrangements) Amendment Plan 2019* (new draft water plan amendment) was released on 14 August 2019. At the same time, the Minister published a decision notice not to proceed with finalising the former draft water plan amendment and the chief executive published a new draft water management protocol, new draft resource operations licence and new draft water entitlement notice. Seqwater also published a new draft operations manual. These documents were accompanied by a new statement of intent explaining the new proposals.

The submission period for the new draft water plan amendment closed on 1 October 2019 and 25 submissions were received. Table 1 provides a summary of the key timeframes and milestones for amending the Moreton water plan.

Table 1— Milestones for amending the Moreton water plan

Date	Milestone
29 October 2015	<ul style="list-style-type: none"> • Release of the Statement of Proposals for public consultation and submissions • Pre-planning work commences with preliminary consultation with key stakeholders • Commencement of technical assessments and data gathering including, environmental and river ecology; hydrology and existing water use information; and socioeconomic values
5 November 2018	<ul style="list-style-type: none"> • Former draft water plan amendment and supporting documents including the statement of intent released for public consultation and submissions
20 to 28 November 2018	<ul style="list-style-type: none"> • Public consultation at Gatton Research Station
18 January 2019	<ul style="list-style-type: none"> • Submission period closes for the former draft water plan amendment
4 February 2019	<ul style="list-style-type: none"> • Supporting document submission period closes for the former draft water plan amendment
26 February 2019	<ul style="list-style-type: none"> • Presentation to the Lockyer Water Users Forum on the issues raised in submissions on the former draft water plan and the department's response
February 2019 to November 2019	<ul style="list-style-type: none"> • Working group consisting of Lockyer Water Users Forum members, departmental officers and Seqwater formed with support of a jointly engaged independent facilitator
14 August 2019	<ul style="list-style-type: none"> • A decision notice not to finalise the former draft water plan amendment pursuant to section 47(3) of the Act is published • A new draft water plan amendment and supporting documents including a statement of intent is published
25 September	<ul style="list-style-type: none"> • Workshops held at Gatton Research Station
1 October 2019	<ul style="list-style-type: none"> • Submission period for the new draft water plan amendment and new draft planning instruments closes
13 December 2019	<ul style="list-style-type: none"> • Final water plan amendment gazetted

The final water plan amendment is available at www.business.qld.gov.au

1.4 Consultation on the new draft water plan amendment

The final water plan amendment has been prepared in consultation with representatives from the Lockyer Water Users Forum, the Queensland Farmer's Federation, Growcom, Lockyer Valley Regional Council and Seqwater. Community and stakeholder engagement has also been a key consideration at all stages in finalising the water plan amendment.

On release of the new draft water plan amendment on 14 August 2019, the department undertook a range of communication and consultation activities, including—

- a public notice and a decision notice published on the department's website on 14 August 2019 and in the Gatton Star on the 21 August 2019
- media statement issued by the Minister
- Social media posts on the department's Water Queensland Facebook page
- a letter sent to all entitlement holders with a draft water entitlement notice inviting them to make a submission on the new draft water plan amendment and supporting documents
- the publication of the new draft water plan amendment and supporting documents on the department's website
- monthly meetings in Gatton with representatives from the Lockyer Water Users Forum and Seqwater
- a telephone hotline and email address to contact the department at any time.

In early September 2019, six separate workshops facilitated by an independent contractor was held to explain the new draft water plan amendment provisions and to work collaboratively to develop new water sharing rules with water users in each groundwater zone. Additional workshops were held in October and November 2019 with the Lockyer Water Users Forum and Seqwater to further refine the water sharing rules for each groundwater zone. These rules will form part of Seqwater's operations manual and will be discussed in more detail in the chief executives report expected to be finalised in February 2020.

2. Submissions

This section summarises the key issues raised on the new draft water plan amendment and how the issues were considered and addressed in finalising the new draft water plan amendment. Of the 25 submissions received, 19 submissions were received from irrigators in the Moreton plan area. The submission by the Lockyer Water Users Forum had 117 signatures with 25 signatures being 'farmers'. Of these 25 'farmers', nine have entitlements in the scheme and seven have entitlements elsewhere in the Moreton plan area. The remaining 92 signatures were small businesses in the Gatton area and surrounds.

Submissions on the new draft water plan amendment were considered by the Minister while the issues raised related to the new draft water management protocol and new draft water entitlement notice will be considered by the chief executive in accordance with section 69(2)(c) of the Act. While a range of issues were raised in the submissions, this report only deals with submissions raised on the new draft water plan amendment.

An independent referral panel was convened to consider submission issues related to proposed water allocations and to make recommendations to the chief executive to consider when finalising the draft water entitlement notice. Other feedback and submissions based on the content of the draft water entitlement notice will be considered in finalising that document. The new draft water entitlement notice and new draft water management protocol is expected to be finalised in February 2020.

2.1 Support for the new draft water plan amendment

The new draft water plan amendment was strongly guided by the submissions made on the former draft water plan amendment. In particular the new draft plan amendment adopted the approach for groundwater allocations presented by submitters, including the specific recommendations of the Lockyer Water Users Forum, along with the further guidance of stakeholders within the working group. A high level of stakeholder support was therefore expected for the changes proposed and was provided in the submissions received.

A number of submissions supported the new draft water plan amendment, including the submission by the Lockyer Water Users Forum which had 117 signatures. These submissions expressed general support for the new draft water plan amendment, including the methodology for determining volumetric limits for groundwater allocations. Six submitters commented on the process for developing the new draft water plan amendment, including the need to continue to engage irrigators in the whole Central Lockyer Valley in implementing the water plan amendment.

Specifically, the submissions indicated support for—

- the methodology for determining a volumetric limit for groundwater allocations in the scheme
- Seqwater and the department to continue to work closely with irrigators in developing and implementing water sharing rules, water trading rules, water metering arrangements and hydrological modelling for the scheme
- developing an effective and fit-for-purpose water trading platform from commencement of the water plan
- the water year aligning with a calendar year rather than a financial year
- continuing with the development of a new groundwater hydrological model

Despite the support received in submissions, there remained two submissions that did not support the draft water plan amendment on the basis that it would adversely affect their property value.

3. Issues raised on the draft water plan

A summary of the key issues raised in submissions and during the consultation period on the new draft water plan amendment is outlined below.

3.1 Water year

New draft plan provisions

The new draft water plan amendment proposed the accounting period as 1 January to 31 December.

Issues raised

Two submissions requested a five year accounting period.

One submission requested that the data collection period should operate from March to February in line with the winter production pattern of the region.

The Lockyer Water Users Forum in their submission reiterated their support for the water year aligning with the calendar year.

Considerations and finalised provisions

A number of submissions on the former draft water plan amendment, including the submission by the Lockyer Water Users Forum, proposed the water year be a calendar year—1 January to 31 December to better allow for crop planning and production management.

Based on this feedback the water year for the scheme was adjusted from the financial year to the calendar year for the scheme.

Again, a number of submissions on the new draft water plan amendment, including the submission by the Lockyer Water Users Forum, supported the water year accounting period to be a calendar year.

The water year must be a single year and not a five year period to align with national water accounting standards and to better manage the annual variability of water availability due to climate variability. However, opportunities for seasonal trading, as well as forward draw on next year's water allocation volume and carryover of the previous year's unused water allocation volume are matters that the chief executive will consider and report back on in February 2020 with the finalisation of the operational planning instruments.

The final water plan amendment retains the water year as calendar year.

3.2 Groundwater zone boundaries

New draft plan provisions

The new draft water plan amendment outlines the scheme boundary (i.e. the benefitted groundwater area that would benefit from releases from Lake Clarendon and Lake Dyer).

Issues raised

Disputes of properties receiving benefit from the scheme and disputes of properties being included within the benefitted area boundary were raised in eight submissions. The following issues were raised about groundwater zone boundaries—

- request that certain parcels of land be removed from the scheme on the basis that the landowner suggests that they do not benefit from the scheme
- concerns about the amount of land being irrigated that is outside the benefitted area by bores within the scheme and whether they should be included.

Considerations and finalised provisions

In 1991, the benefitted groundwater area was set based on an understanding at that time of the benefits of releases down Laidley Creek and into Lockyer Creek from Lake Dyer. In 1997, following the commencement of releases from Lake Clarendon, the benefitted groundwater area was expanded to include that area that would benefit from releases down Lockyer Creek.

The new draft water plan amendment made no changes to the current scheme boundary. However, improvements in information, including monitoring and metering information within and adjacent to the scheme, as well as the development of a new groundwater model will ensure that there is a better and clearer understanding of the resource and its linkages to scheme operations at the time of the 5-year review (due by 2026). In the meantime, the department will continue to partner with Seqwater to improve the performance of the scheme to maximise the benefits to water users through optimising

the operation of scheme infrastructure and improving aquifer recharge. These improvements will be further discussed in the chief executive's report expected to be finalised in February 2020.

Some parcels of land which are outside of the benefitted area have been included as preliminary irrigable area on proposed water allocations, typically this is because these land parcels are stated on the converting water licences. As these parcels are being supplied by water from within the scheme it is important to recognise their dependency on the scheme. Once converted to water allocations, as long as water is sourced from within the location specified on the water allocation, the water can be used anywhere.

The final water plan amendment retains the existing scheme boundary but recognises that there is further work required to better understand the water resources at the time of plan review.

3.3 Groundwater conversion

New draft plan provisions

The new draft water plan amendment provides for the conversion of water licences to water allocations to take supplemented groundwater. This was guided by submissions on the former draft water plan amendment calling for a flat rate conversion methodology to be applied as well as recognition that there should be an attempt to separate the portion that is more closely linked to natural recharge processes away from the portion that is more closely linked to aquifer recharge resulting from the scheme operations.

Issues raised

In the workshops during the consultation period, this was well supported and was followed through with support in the Lockyer Water User Forum submission. Five out of 25 submissions raised alternative views including the following concerns—

- the conversion rate is too low including in above average rainfall years
- different quality of land should have a different allocation rate
- any increased level of demand or service would be difficult to accommodate with the conversion factor
- infrastructure will become stranded based on the conversion rate not being high enough
- the separate of water from the land

Considerations and finalised provisions

The conversion methodology proposed in the new draft water plan amendment was developed in close partnership with the Lockyer Water Users Forum, Seqwater, Growcom, the Queensland Farmers Federation and other water users.

Through the National Water Initiative, governments across Australia have agreed on actions to achieve a more cohesive national approach to the way Australia manages, plans for, measures, prices, and trades water. As part of the national water reform, a water allocation has a title separate from a land title and can be bought and sold independently in a similar way to land. This enables water allocation holders to buy water to expand their operations or sell water they don't need. Trading is voluntary and prices are set by the market. The final water plan amendment and implementation will safeguard against the community concerns that water agricultural land will be left without water allocation on the block by constraining permanent trading to only the medium priority allocation with seasonal trading only for the low priority allocation. This ensures flexibility in balance with protection.

The final water plan amendment retains the conversion methodology of 6ML/ha split into two products—a 4ML/ha low priority water allocation and a 2ML/ha medium priority water allocation. The trading rules will be outlined in the water management protocol expected to be finalised in February 2020.

3.4 Irrigable area

New draft plan provisions

The new draft water plan amendment defines the meaning of irrigable area. This includes the definition of preliminary irrigable area and the definition and process for determining additional irrigable area in the scheme.

Issues raised

The following issues were raised in four submissions—

- concern about how preliminary irrigable area has been determined and a typographical error in the draft water plan amendment
- support for the additional irrigable area provision.

Considerations and finalised provisions

The department used geology mapping and imagery data, to determine the irrigable area with regards to—

- the parcel/s, and/or part of parcel/s, authorised to be irrigated on the converting water licence/s
- on the authorised parcel/s, land with alluvium excluding natural drainage features
- on the authorised parcel/s, land without alluvium that has historically been irrigated using water authorised to be taken under the licenced parcels during the period of 1 July 1992 to 30 June 2017.

Three submissions seeking additional irrigable area were received. Four submissions seeking a change to the preliminary irrigable area stated on their proposed water allocations were also received. These submissions are specifically for the chief executive's consideration as they relate to individual water allocation holders. The chief executive will summarise the outcomes of these considerations and any advice of the independent referral panel in the report expected to be finalised in February 2020.

There were two submissions which suggested a typographical area in section 84L. The provision was reviewed in consultation with the State's legal drafters and a more detailed explanation is contained in the accompanying explanatory notes. Each of the subsections under section 84L are considered and the preliminary irrigable area determined is the sum of all of the subsections that apply under section 84L.

The final water plan amendment retains the provisions relating to irrigable area.

3.5 Surface water conversion methodology

New draft plan provisions

The new draft water plan amendment did not propose any changes to the provisions currently stated in the Moreton water plan relating to the conversion of surface water allocations.

Issues raised

One submission was concerned that there will be a reduction in overall system performance and reliability for groundwater users due to the volume being assigned to surface water users.

Another submitter questioned the methodology of converting surface water interim water allocations to water allocations and assumed that irrigable area is also used as the conversion methodology for surface water interim water allocations.

Considerations and finalised provisions

The surface water conversion methodology has been stated in the Moreton water plan since 2007 and was the same provision that applied for the conversion of water allocations in the adjacent Lower Lockyer Water Supply Scheme. It has been set as either the volumetric limit specified on an interim water allocation if there is one stated already, or 3.4ML/ha where an area that can be irrigated is already stated on the entitlement. The surface water conversion methodology is separate to the groundwater conversion methodology.

The final water plan amendment retains the conversion methodology for converting surface water interim water allocations to water allocations.

3.6 Measures for achieving water plan outcomes

New draft plan provisions

The new draft water plan amendment stated new measures that contribute to achieving particular water plan outcomes in the Lockyer Valley groundwater management area – Implementation area 1. This delineates an area referred to locally as the proclaimed area capturing ‘benefitted’ and ‘un-benefitted’ groundwater.

Issues raised

Two submissions recommended that the water plan include specific measures to ensure ground water quality is maintained and provides base flows to watercourses and supports and protects groundwater dependent ecosystems. The submission also recommended the inclusion of specific measures to ensure cultural values of groundwater are protected, and the effects of climate change on the availability of water are considered.

Separately, four submissions requested that a planning process commence to include water users outside, but adjacent to, the scheme area (referred to locally as the non-benefitted area) as soon as possible on the basis that those entitlements, if left unlimited and unrestricted, could pose risks to groundwater supplies for water users in the scheme.

Considerations and finalised provisions

The new draft water plan amendment primarily focuses on the scheme area only. As such, any amendment going beyond this scope is not appropriate at this time.

General outcomes for groundwater in the Moreton water plan already recognise the need to maintain long-term water quality and to protect baseflow to watercourses that support natural ecosystems. Some groundwater dependent ecosystems have been mapped with moderate confidence close to the extent of the Lockyer and Laidley creeks. It is recognised that these ecosystems experience intermittent flow and fluctuating salinity, reflective of the recharge the alluvium may be receiving from the existing scheme infrastructure which is reflective that this is a highly modified system. The environmental flow objectives for the relevant node in the plan area continue to be met under this new draft water plan amendment. The new draft water plan amendment does not propose any modification or changes to the existing infrastructure of the scheme, which would potentially have further impacts to water quality, groundwater dependent ecosystems or cultural values of groundwater.

The commencement of this planning process pre-dates the Water Act requirement for the Minister to consider the implications of climate change when preparing water plans. Specific local scale climate change modelling is not currently available and could not be undertaken as part of this amendment. However, the surface water hydrological model incorporates rainfall and evaporation considerations in its simulation period extending some 110 years and is used to ensure the existing environmental flow objectives in the water plan have been met.

The review of the Moreton water plan is due in 2026 and will consider the water-related effects of climate change on water use practices and the risks to land or water resources arising from the use of water on land for the Moreton plan area as a whole. This review will consider if the management strategies continue to be effective in the context of climate change effects on water availability. The review will also incorporate cultural outcomes of relevance to traditional owners in the plan area and include strategies to achieve those outcomes.

No new measures are proposed in the final water plan amendment for the Moreton plan area and there is no change to the current general outcomes in the Moreton water plan. However, the final plan amendment adopted the draft plan amendment measure relating to groundwater in the areas adjacent to the scheme and expanded on the requirements under that measure. The final plan amendment now requires an analysis and risk assessment of information to be included in the Minister's performance assessment report (due May 2021 in accordance with section 49 of the Act) which will guide whether there is a need to extend the water planning framework to the groundwater aquifers adjacent to the scheme. This risk assessment will identify any impacts of groundwater use adjacent to the scheme that may pose a risk to the scheme performance.

3.7 Performance indicators for water allocation security objectives - groundwater

New draft plan provisions

The new draft water plan amendment stated that the water allocation security objective for groundwater in a zone is the maximum allowable volume for the zone for the water allocation's priority group.

Issues raised

One submission requested that the science and data for the volumetrics limits in each groundwater zone be reviewed otherwise there is a great potential to cause substantial economic impacts to the agricultural industries within the zones.

Considerations and finalised provisions

The volumetric limits proposed in each zone reflect the sum of the volumes of medium priority water allocations and low priority water allocations in each zone. Hence, the water allocation security objective for each groundwater zone is the maximum volume allocated for each priority group in each zone. This maintains the security of existing entitlements by ensuring that the allocation for each zone will not be increased. Trading outside of zones is not permitted at this time.

To better support future decisions and inform a full plan review due in 2026, the department will continue to work with the Lockyer Water Users Forum and Seqwater to achieve a fully functioning and reliable metering network over the next couple of years, as well as continuing to progress the development of the new groundwater hydrological model.

Minor adjustments to the maximum allowable volume for the zone for each priority group were made in the final water plan amendment to reflect the total allocation volumes.

4. Additional considerations

A number of changes have been made to the final water plan amendment as result of issues raised in submissions and further review by the department. These changes do not impact existing users or change the policy intent of the plan. This includes changes to provide clarity in the wording and intent of provisions, and to ensure the correct legislative powers exist for granting entitlements.

The final water amendment also includes a new provision that grants Seqwater a high priority water allocation to take surface water from the Morton Vale Pipeline zone for 185ML. This new provision provides the required legislative power to grant Seqwater an entitlement that is currently only authorised in their interim resource operations licence.

At the request of the Lockyer Valley Regional Council, the final water plan amendment increases the nominal volumes for two of the proposed water allocations held by the Council. The additional volume sought by the Council will meet future requirements for drought security ensuring alternative supplies are available in critical times.

Other minor changes include simplifying provisions and improvements to definitions.

5. Other initiatives

A number of submissions raised issues being dealt with through other initiatives or being addressed more thoroughly through the chief executive instruments. These are outlined below.

5.1 Water pricing

Four submissions raised concerns about the rural irrigation pricing review and the proposed charges that will apply to scheme users.

The Queensland Competition Authority (QCA) is currently reviewing irrigation prices that will apply for the supply of water for irrigation services by Sunwater and Seqwater in specified water supply schemes and distribution systems for the period 1 July 2020 to 30 June 2024. A draft report outlining the proposed approach and prices was released in September 2019. While this is a separate process, there are linkages between pricing and water allocations established under the water amendment plan. The consultation period for the draft QCA report closed in November 2019. No decisions have been made on the recommended irrigation pricing for scheme users at this time. The QCA draft report

included a draft recommendation that prices for the Central Lockyer Valley WSS be updated to take into account the Water Plan (Moreton) (Supply Scheme Arrangements) Amendment Plan 2019 as soon as practicable after it is finalised. The department will continue to consider the implications of the water amendment plan on pricing in the future.

In the meantime, on the 25 September 2019, Seqwater advised its customers that it will not charge any Part A or Part B charges on the low priority water allocations this financial year. Seqwater has not been directed on prices to apply beyond 2019/2020, including any prices that may apply to low priority groundwater allocations.

5.2 Additional water supplies

Four submissions requested that additional sources of water for the Central Lockyer be progressed, including a new pipeline from Wivenhoe Dam, sand filter recycling and a new dam at the head of Lockyer Creek.

The Queensland Government commissioned the preparation of a strategic business case involving input from growers, industry, Seqwater and the Lockyer Valley and Somerset regional councils. The Strategic Business Case, published on 27 September 2019, evaluated the viability of additional water supply options into the valley. The Lockyer Valley Regional Council is now taking the outcomes of that strategic business case and proceeding with the development of a detailed business case funded by the Queensland Government through a \$1.4 million grant under the Maturing the Infrastructure Pipeline Program administered by the Department of State Development, Manufacturing, Infrastructure and Planning. The final water plan amendment sets a platform of volumetric water entitlements for users in the scheme. This is an essential step before any additional water supplies can be integrated into the Lockyer Valley.

5.3 Ongoing metering, monitoring and modelling

One submission raised concerns about the meters and metering issues, specifically, who will pay for the meters and monitoring. Three submissions requested that the department continue to progress the development of the new groundwater hydrological model to get the science and data correct, and that the model reflect the future constraints of water availability as a result of climate change.

To improve science and data in the longer term, the department and Seqwater will work towards delivering a fully functioning and reliable metering network over the next couple of years. In November 2019, the Deputy Prime Minister wrote to Seqwater to confirm that \$2.5 million will be made available to support new metering and measuring in the scheme. Seqwater will fast track the rollout of new meters for groundwater users in the scheme in 2020 when the funding is received.

While we use the new meter network to gather better data, there is strong support for the department to continue working with the Department of Environment and Science (Qld Hydrology), the Lockyer Water Users Forum and their hydrogeologist, on developing a new hydrological groundwater model. A groundwater conceptualisation report is being prepared to describe and document the groundwater resource to set the platform for developing a brand new model that will inform a future plan review (due by end 2026).

5.4 Scheme performance

Six submissions raised concerns about the scheme's performance and the management of scheme assets.

Under their resource operations licence (expected to be finalised in February 2020) Seqwater will be required to undertake specific monitoring and reporting requirements related to scheme performance. This is intended to promote a good regime of maintenance of works that promote effective groundwater recharge to assist in maximising the scheme performance. The department will continue to partner with Seqwater to improve the performance of the scheme. These improvements will be further discussed in the chief executive's report expected to be finalised in February 2020.

The Moreton Water Plan expires in 2026 and will need to be reviewed and replaced at or before the expiry. This review will be informed by accurate water metering and a new groundwater hydrological model. This presents an opportunity to further explore issues associated with scheme performance and any further flexibility in water trading and sharing arrangements. During this time, the department will continue to work with Seqwater and the Lockyer Water Users Forum in implementing the final water plan amendment.