



Unallocated water release: Strategic Water Infrastructure Reserve in the Water Plan (Fitzroy Basin) 2011

Evaluation report

February 2023

Acknowledgement of Traditional Owners

We respectfully acknowledge the Aboriginal and Torres Strait Islander peoples as the Traditional Owners and Custodians of this Country – the lands and seas on which we meet, live, learn, work and play. We acknowledge those of the past, the Ancestors whose strength has nurtured this land and its people, and we recognise their connection to land, sea and community. We pay our respects to them, their culture and to their Elders past and present.

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Summary

This report summarises the release process that was undertaken for the temporary granting of water licences from unallocated water held as Strategic Water Infrastructure Reserve (SWIR) on the Dawson River within the Water Plan (Fitzroy Basin) 2011.

On 30 August 2022, the Department of Regional Development, Manufacturing and Water (DRDMW) released 90,000 megalitres (ML) of unsupplemented water from the SWIR in the Dawson Valley Water Management Area (DVWMA). The DVWMA is comprised of 15 management zones along the Dawson River. A Terms of Sale was developed to provide information on the submission process and a process by which water licences may be granted to eligible water users. Temporary water licences granted with an expiry date of 30 September 2025 would allow successful submitters access to SWIR water.

The SWIR water was released via a fixed price sale process, at a price of \$27 per Megalitre (ML), as a nominal entitlement to eligible water users. The closing date for submissions was 30 September 2022.

Sixteen submissions were received across seven of the 15 management zones within the DVWMA with a total maximum volume of 75,460ML applied for.

Of the 16 submissions received, 14 were successful and offered a water licence with conditions. 13 submitters accepted their offer and on receipt of the signed offer notification form and full payment of water, were granted water licences. A total of 69,360ML (77% of offered water) was granted and a summary of successful submitters including the zones and volumes granted within the DVWMA are provided in Table 1.

Table 1: Details of successful submitters and volumes granted per zone within the DVWMA

Submission Number	DVWMA Zone	Nominal entitlement (ML)
REF01	Dawson H	1,200
REF02	Dawson G	3,040
REF03	Dawson H	5,000
REF04	Dawson G	3,800
REF05	Dawson J	1,000
REF07	Dawson B	4,000
REF08	Dawson G	15,200
REF09	Dawson I	7,800
REF10	Dawson G	10,070
REF11	Dawson E	10,070
REF13	Dawson H	4,180
REF14	Dawson J	1,000
REF15	Dawson J	3,000
Total (13)		69,360

1. Introduction

This report summarises the submission process that was undertaken for the release of unallocated water held as Strategic Water Infrastructure Reserve (SWIR) for water infrastructure on the Dawson River within the Water Plan (Fitzroy Basin) 2011.

2. Background

On 30 August 2022, the Department of Regional Development, Manufacturing and Water (DRDMW) released 90,000 megalitres (ML) of unsupplemented water from the SWIR in the Dawson Valley Water Management Area (DVWMA). A map of the area subject to this release process is provided in Appendix 1.

Prior to the decision to initiate this release, DRDMW conducted a review of a pilot project that released SWIR water in 2019 within the same management area. The objectives of the pilot project were to provide ability for water users on the Dawson River to temporarily access committed water reserves under a water licence with the intent to provide flexible water management that strengthens job creation and economic development and provide a short-term stimulus for the water trading market. The review included an analysis of water use data, water trading, irrigation development including new water storages and economic information from the period of 1 October 2019 to 30 April 2022. The report can be found on the Business Queensland website at www.business.qld.gov.au (search for: 'Strategic water infrastructure reserve release').

Although the pilot project did not achieve all the intended objectives, a decision was made to undertake a new release under similar terms and conditions as per the initial release. An expression of interest was provided to interested stakeholders including irrigators which further identified that a future release would be supported.

3. Process for releasing unallocated water

The *Water Act 2000* (Water Act) provides for a water plan to include a process for releasing and granting unallocated water. Section 40A of the Water Act describes how the chief executive may temporarily release water from a strategic water infrastructure reserve via a process defined under the *Water Regulation 2016* (Water Regulation). Water can only be made available under a water licence granted for no more than three years with conditions that the licence cannot be renewed, reinstated, relocated, amalgamated or subdivided.

Under the Water Regulation, unallocated water can be released through public auction, tender, fixed price or for a particular purpose. The response to the expression of interest and consideration that the initial release was via a fixed price process, supported a decision to facilitate a non-competitive process for this release, thus allowing a greater opportunity for all eligible persons to access SWIR water.

In accordance with section 40B(3) of the Water Act, the chief executive consulted with the Resource Operations Licence (ROL) holder (Sunwater) for the Dawson Valley Water Supply Scheme (DVWSS) and Theodore Water who holds a Distribution Operations Licence (DOL) within the DVWSS. SunWater and Theodore Water indicated support for a future release of SWIR water.

4. Terms of sale

DRDMW prepared a Terms of Sale - '*Release of unallocated water from the strategic water infrastructure reserve in the Water Plan (Fitzroy Basin) 2011- Dawson Valley Water Management Area*' to support this release which was made publicly available on the Business Queensland website. The Terms of Sale provided information on the release and grant process including but not limited to:

- the volume and location of water being made available within the DVWMA
- the price of water being released
- eligibility and conformance requirements for a submission
- evaluation criteria under the water plan
- the submission process included advice and guidance for planning, completing and lodging a submission
- a summary of the submission assessment process
- details of offer for successful submissions including payment and acceptance
- general terms and definitions.

5. Public notification

On 1 September 2022, DRDMW announced the release and published the Terms of Sale on the Business Queensland website (Appendix 2). Holders of existing water licences from the pilot release in 2019 and stakeholders including Theodore Water and Dawson Valley Cotton Growers were advised of the release via email on 1 September 2022.

6. Submission process

The submission process was defined within the Terms of Sale and included specific requirements to address relevant evaluation criteria under the Water Plan (Fitzroy Basin) 2011. DRDMW provided 30 days for submissions including the approved form and supporting information to be lodged via email UAW_DawsonSWIR@rdmw.qld.gov.au. Submissions closed at 5pm on 30 September 2022.

7. Evaluation criteria

The Terms of Sale included evaluation criteria which all submitters were required to address as part of their submission. The evaluation criteria that all submitters were assessed against is provided in Table 2 with an explanation of the outcome and key issues to be addressed.

Table 2: Assessment against Evaluation Criteria

Criteria	Head of power	Outcome to be addressed	Key issues which the submission needs to address
1. The purpose for which the water is required.	Fitzroy Basin Water Plan	The submission must include a clear proposal including the volume of water required.	<p>To address this criterion, the submission must:</p> <p>Describe the purpose of water required and the volume that supports this.</p> <p>Describe how the proposal and water use purpose is consistent with the Fitzroy Basin Water Plan outcomes as prescribed in section 12, 13, 14 and 15 of the Fitzroy Basin Water Plan. Note that the relevant information to address these outcomes is contained within evaluation criteria that supports the submission. Submitters do not need to address each section of the water plan.</p> <p>DRDMW will assess whether the proposal and water use purpose are consistent with water plan outcomes.</p>
2. The efficiency of existing and proposed water use practices.	Fitzroy Basin Water Plan	<p>The submitter describes the efficiency of any existing water use.</p> <p>The submitter describes planned water use efficiency practices for the proposed water use activity.</p> <p>The submitter identifies the requirement for the requested nominal entitlement to meet the proposed water use activity.</p> <p>The submitter identifies a need for a specific (i.e., daily) rate of take to meet the proposed water use activity.</p>	<p>To address this criterion in relation to the efficiency of any existing water use practices, the submission must:</p> <p>Describe how existing water supplies (if any) are used efficiently (e.g., application efficiencies, adoption of best practice guidelines)</p> <p>Identify any water use efficiency measures that are already in place (e.g., minimise storage leakage/evaporation losses, recycled water initiatives, metering, and monitoring of water usage in field)</p> <p>Area of existing irrigated land where the water will be applied.</p> <p>To address this criterion in relation to the efficiency of proposed water use practices, the submission must:</p> <p>Identify any relevant industry guidelines currently not being met or proposed to be met</p> <p>Describe the peak water use requirements to demonstrate the proposed rate of take and annual volume is appropriate for the intended purpose and activities.</p> <p>Describe any measures intended to minimise storage and distribution losses including evaporation, leakage losses, treatment losses (e.g., lining of storages, earth channels).</p> <p>Area of proposed irrigated land where the water will be applied.</p> <p>DRDMW will assess whether existing water supplies (if any) are used efficiently and if measures are proposed or in place to minimise waste (e.g., water storage is split into cells to minimise storage evaporation losses, lining and appropriate construction of storages to minimise seepage and leakage, irrigation scheduling etc).</p>

			DRDMW will consider the area in hectares proposed for irrigation relative to the volume of water being sought, as well as the irrigation method intended to be used to ensure land suitability.
3. The extent to which water is being taken under existing authorisations in the plan area.	Fitzroy Basin Water Plan	Information must be provided regarding any existing water entitlements the submitter may currently hold at the proposed development location.	<p>To address this criterion the submission must:</p> <p>Provide information on existing water entitlements and their current and historical usage.</p> <p>Justification why the existing water entitlements do not meet current water requirements</p> <p>DRDMW will assess whether existing water supplies (if any) meet the requirements of intended use.</p>
<p>4. Land suitability:</p> <p>There is land available that may be developed under the <i>Vegetation Management Act 1999</i>.</p> <p>Ecological assets and high value environmental features will not be adversely affected under the proposed development.</p> <p>The topography, including the slope of the land, soils, and drainage concerns.</p> <p>Known cultural heritage sites will not be adversely affected under the proposed development.</p>			<p>To address this criterion the submission must:</p> <p>Provide information to demonstrate that any new proposed areas for development will not be prevented under the <i>Vegetation Management Act 1999</i>.</p> <p>Provide information to demonstrate that the land is suitable for the intended purpose of irrigated crops and will not lead to erosion and salinity outbreaks. Mitigation measures should be described if required.</p> <p>DRDMW will assess the proposed areas for development against vegetation mapping to determine if development of the land will be prevented under the <i>Vegetation Management Act 1999</i>. DRDMW will assess land suitability such as soils and topographic information to determine if there are any limitations to the proposed development.</p> <p>To address this criterion the submission must:</p> <p>Provide information on any new proposed areas for development that they will not adversely affect any ecological assets or high value environmental feature.</p> <p>DRDMW will assess whether the development interferes with ecological assets and high value environmental features such as wetlands.</p> <p>To address this criterion the submission must:</p> <p>Provide information on cultural heritage sites should they been interfered with by any new proposed areas for development.</p>

			DRDMW will assess whether cultural heritage sites would be interfered with by the development.
5. The effects on Indigenous cultural values or benefits to the social and economic wellbeing of local Indigenous communities.			<p>The submitter does not need to provide any information for this criterion.</p> <p>DRDMW will consider the cultural, social, and economic effects that the proposal may have on local communities.</p>
6. The impact the proposed taking of, or interfering with, the water may have on the flow of water, existing water licences, and statutory authorisations to take or interfere with water.		The submission must state each location of take.	<p>The submitter does not need to provide any further information for this criterion.</p> <p>DRDMW will assess the proposal to ensure that taking or interfering with water would not detrimentally impact other authorised users.</p>
7. The availability of an alternative water supply for the purpose for which water is required.	Fitzroy Water Plan	The submitter must state whether alternative water sources are available to meet their water demands without the need for the unallocated water (e.g., sufficient entitlement is available to meet a proportion of their demand).	<p>To address this criterion the submission must:</p> <p>Describe whether there are alternative water supplies available and identify the opportunities to make use of those supplies (e.g., through the relocation rules established under the Water Protocol for accessing water held under existing water licences or water allocations).</p> <p>If other alternative supplies exist, the submission should describe the reliability of those sources and how the water under this submission is intended to be used in conjunction with the other water sources.</p> <p>DRDMW will assess whether the proposal has considered other water supplies that could be used for the intended purpose.</p>
<p>8. The impact that the proposed taking of watercourse water (if applicable) may have on existing water users, the operation of any resource operations licence and distribution operations licence holders in the plan area and the impact of taking of water may have on the following:</p> <ul style="list-style-type: none"> • instream water levels • water entitlement holders • water allocation security objectives • baseflow • environmental flow objectives • riparian vegetation • the ecological values, of waterholes, lakes, or springs. 	Fitzroy Water Plan	This criterion ensures that the capacity to take, interfere or diversion of water from a watercourse is considered for existing users and ecological values.	<p>The submitter does not need to provide any information for this criterion.</p> <p>DRDMW will assess the proposal to ensure that taking or interfering with water would not detrimentally impact other authorised users including resource and distribution licence holders, environmental flow objectives and ecological values.</p>

8. Probity

DRDMW staff were inducted on the principles of probity prior to undertaking the assessment and decision-making process under this release. Any concerns about maintaining the integrity of the evaluation process or related issues were raised when necessary. All officers involved in the assessment process were required to identify any potential conflicts of interest prior to reviewing the submissions and to sign a confidentiality and impartiality declaration form and a conflict declaration form. No conflicts of interest were identified by the technical team or delegated decision maker.

9. Submissions

9.1 Eligibility

The Terms of Sale stated the following requirements for submissions to be deemed eligible for consideration:

- Submitter is an owner of land (as described in the Water Act) to which the water will apply within the DVWMA or the Distribution Licence (DOL) Holder for a Dawson Channel Irrigation Scheme.
- A submission must also be taking Dawson River watercourse water only from a location displayed within the DVWMA.

All 16 submitters were deemed eligible for their submissions to be considered for SWIR water from the Dawson River within the DVWMA.

9.2 Conforming submissions

Each submission was checked against the conformance requirements, which were detailed in the Terms of Sale:

- submission received by UAW_DawsonSWIR@rdmw.qld.gov.au before 5:00pm (AEST) on 30 September 2022
- all relevant fields on the submission form completed, the form signed and dated, and if a corporation or attorney, the form was executed appropriately including any necessary certified copies of documents, and
- submission addressed evaluation criteria and included maps, statements on water infrastructure and proposed development and other information as required.

Of the submissions received, one submission was received one day after the closing date, however their accompanying explanation was considered at the discretion of the chief executive and the submission was accepted. 13 submitters were requested to provide further information to meet the conformity criteria and were considered conforming after responses were received and assessed.

10. Requests for further information

In accordance with the Terms of Sale, further information or clarification of information supplied was requested for 13 submissions to meet the conformance criteria. All requests for information were addressed by 11 submitters (one submitter withdrew and one submitter failed to respond and their submission was withdrawn from the release process). The 11 submissions were then assessed in accordance with the Terms of Sale.

A summary of the further information requested for submissions is provided in Table 3 (below).

Table 3: Summary of the further information requested

Issue	Number of submissions where further information was requested
Submission Form	
Part A: Submitter details including name	3
Part C: Location of land	1
Part C: Source and location of take	1
Part C: Additional Information	4
Part D: Volume of water, rate of take and other entitlements	3
Part D: Declaration	2
Evaluation Criteria	11

Table 4 provides a summary of the conforming submissions and cumulative maximum volumes for the respective water zones within the DVWMA.

Table 4: Number of conforming submissions and cumulative maximum volumes received per zone

Zone	No. of submissions	Maximum applied volume
Dawson B	1	4,000
Dawson D	1	3,000
Dawson E	1	10,070
Dawson G	4	32,110
Dawson H	3	10,680
Dawson I	1	7,800
Dawson J	3	5,000
Total	14	72,660

11. Assessment and decision process

All conforming submissions were assessed by a technical team prior to making a recommendation to a delegated decision maker. The technical team consisted of staff with knowledge and experience in unallocated water releases and surface water processes. Assessment of supporting information and evaluation criteria was undertaken in accordance with the Terms of Sale. The delegated decision maker provided judgment on issues raised during the assessment stage and independently made decisions on the recommendations provided by the technical team on conforming submissions.

12. Offers to submitters

The delegate made a decision to offer all conforming submissions a water licence for the maximum volume of water stated in individual submissions. Each submitter was provided with a letter of offer that included a draft water licence, an offer notification form, and an invoice for the full upfront payment. Of the 14 offers made, 13 accepted the terms of offer however one submitter requested their offer be amended to the minimum volume on their submission. At the discretion of the delegate, the change was approved, and a revised offer was made and accepted. One submitter chose to decline the offer and withdraw from the release process.

13. Granting water licences

Following receipt of the offer acceptance form and payment, 13 water licences were granted. Each licensee was emailed a copy of the water licence with a decision notice in accordance with the Water Act.

The total revenue received by the Queensland Government from this release of SWIR water was \$1,872,720.

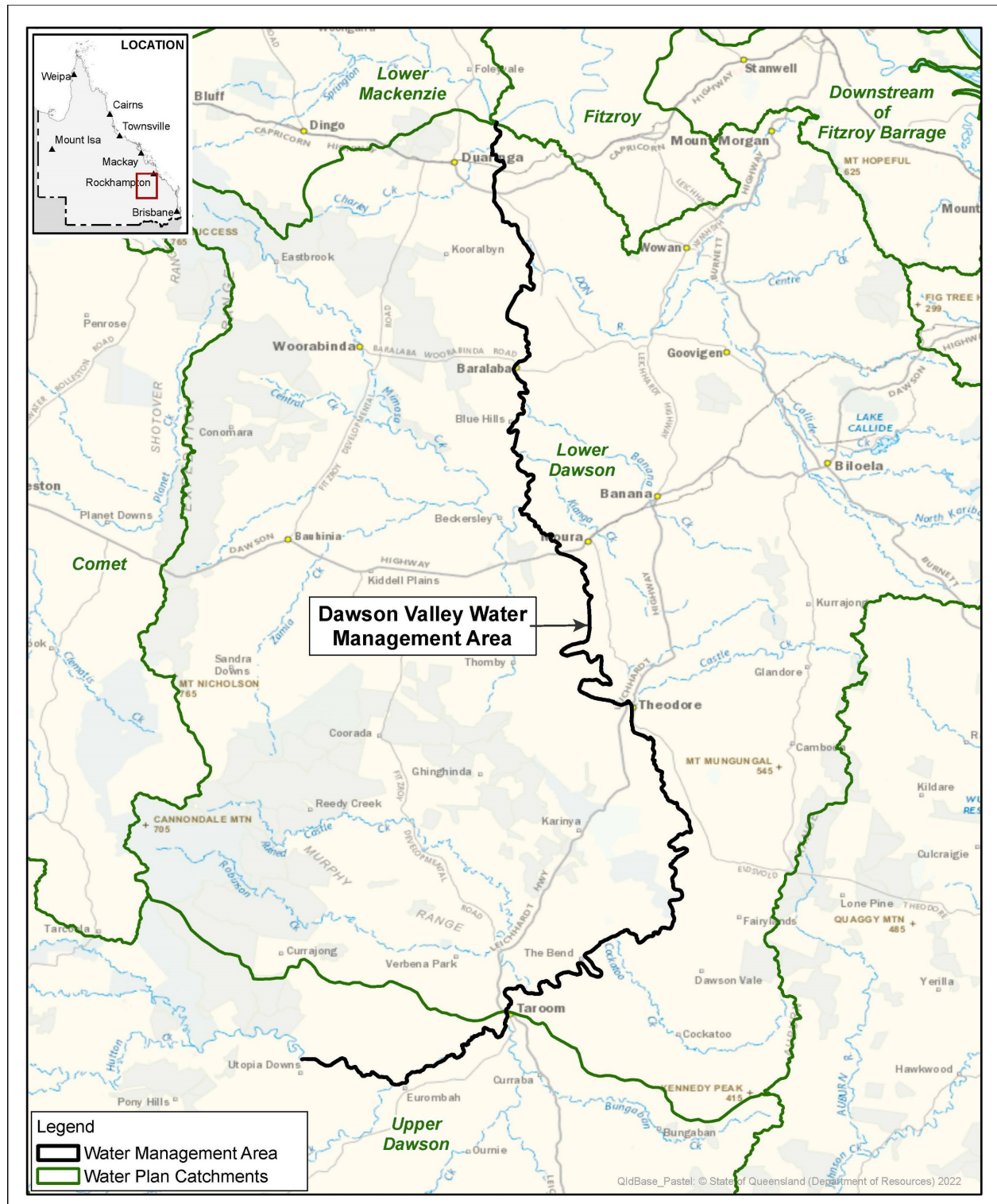
The total nominal entitlement volume of all water licences granted was 69,360ML or 77% of the total volume released. A summary of offers and outcomes for each submission is provided in Table 5.

Table 5: Summary of submissions and outcome of offers

Submission number	Zone	Minimum volume (ML)	Maximum volume (ML)	Offer volume (ML)	Outcome
REF01	Dawson H	1,200	1,500	1,200	Accepted
REF02	Dawson G	2,280	3,040	3,040	Accepted
REF03	Dawson H	5,000	5,000	5,000	Accepted
REF04	Dawson G	3,230	3,800	3,800	Accepted
REF05	Dawson J	500	1,000	1,000	Accepted
REF06	Dawson H	1,000	1,800	No offer	Withdrew
REF07	Dawson B	3,000	4,000	4,000	Accepted
REF08	Dawson G	12,000	15,200	15,200	Accepted
REF09	Dawson I	7,800	7,800	7,800	Accepted
REF10	Dawson G	8,000	10,070	10,070	Accepted
REF11	Dawson E	8,000	10,070	10,070	Accepted
REF12	Dawson D	0	3,000	3,000	Declined
REF13	Dawson H	2,280	4,180	4,180	Accepted
REF14	Dawson J	800	1,000	1,000	Accepted
REF15	Dawson J	2,500	3,000	3,000	Accepted
REF16	Dawson J	500	1,000	No offer	Withdrew
Total		58,090	75,460	69,360	

Appendix 1: Map of release area


Figure 1: Dawson Valley Water Management Area



Appendix 2: Business Queensland website

[Strategic water infrastructure reserve release \(Dawson Valley Water Management Area\) | Business Queensland](#)

Accessed 10 February 2023

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Expressions of interest for unallocated water from the Western Great Artesian Basin

Strategic water infrastructure reserve release (Dawson Valley Water Management Area)

Strategic reserve water release (Flinders River catchment)

Gulf unallocated water release (Gilbert, Norman, Leichhardt and Nicholson rivers)

Strategic water infrastructure reserve release (Dawson Valley Water Management Area)


Water has been made available from the Strategic Water Infrastructure Reserve in the Dawson Valley Water Management Area (Dawson Valley WMA) to allow landholders to expand or diversify irrigation activity.

The water is supporting a wide range of agricultural production, including cotton, grains and cereals, trees and small crops, with the aim of strengthening economic development and creating jobs in the region.

In 2019, 90,000 megalitres (ML) of unsupplemented water were made available for use each year for a temporary period of 3 years. Through an application process, 12 water licences were granted on 1 October 2019 with a total volume of 69,500ML per year for 3 years.

Learn more about the findings from a review of the [2019 release of Strategic Water Infrastructure Reserve in the Dawson Valley WMA](#).

Submissions for a temporary water licence

 Submissions are now closed.

We're making this water available again for temporary access over the next 3 years to eligible water users along the Dawson River. Up to 90,000ML per year is reserved under the [Water Plan \(Fitzroy Basin\) 2011](#) and available through temporary water licence applications.

Read the [Terms of Sale \(PDF, 975KB\)](#) for information on the release and submission process.

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