



Border Rivers

resource operations plan

summary

March 2008



#28431



Introduction

This summary document outlines key elements of the Border Rivers Resource Operations Plan 2008 (the plan), which was released on 14 March 2008. Following the release of a draft Border Rivers Resource Operations Plan on the 8 January 2007, 72 submissions were received and considered by the Department of Natural Resources and Water (the department) prior to the finalisation of the plan.

While supporting the economic and social needs of community life at every level, the plan area's rivers and streams are also fundamental to the health of many natural assets. These include the Girraween National Park— noted for its massive granite outcrops—the high traprock country of the Sundown National Park in the east, and the floodplain country to the west of Goondiwindi—all of which are valued for their rich landscape and ecology.

In implementing the *Water Resource (Border Rivers) Plan 2003*, the resource operations plan has been structured to secure the needs of many consumptive and non-consumptive uses and for consistency with the Commonwealth *Water Act 2000*, and Murray–Darling Basin and other interstate agreements and commitments.

Water use in the plan area

Water infrastructure in the plan area is dominated by private infrastructure that supports opportunity-based water harvesting entitlements. The Macintyre Brook and Border Rivers water supply schemes provide lesser, but more reliable sources of supplemented water. Water from Glenlyon Dam is also distributed by water supply boards who own secondary infrastructure on the Callandoon and Yambocully creeks.

While broadacre cotton production predominates on the floodplains of the lower catchment, high-value crops irrigated in the small acreages of the Granite Belt high country make an important contribution to the state's economy. Included are salad crops, wine and table grapes, and a variety of orchard fruits.

The plan's provisions address both operational requirements for water infrastructure (supplemented water) and the management of unsupplemented water taken directly from stream flows in the plan area. These provisions have been structured to provide security for all water uses, including the rich natural environment, in support of the water resource plan goals.



What the resource operations plan does

The Border Rivers Resource Operations Plan 2008 implements the *Water Resource (Border Rivers) Plan 2003*, which provides a 10-year framework for sustainably allocating and managing the catchment's water resources to meet present and future needs.

The area covered by the plan comprises the Queensland section of the greater Border Rivers catchment, north of the New South Wales border.

The plan sets out rules for the area's water resources that support the water resource plan goals as well as the National Water Initiative, Murray–Darling Basin obligations, and other state, interstate, and national programs.

Developing the resource operations plan

On 8 July 2002, the department announced its intention to prepare a draft resource operations plan to implement the Border Rivers water resource plan. Submissions on the proposal were sought and meetings held with state and local government agencies, water-user groups, conservationists, Indigenous representatives, and industry bodies.

The two main consultative forums—the Stanthorpe Community Reference Panel and Border Rivers Food and Fibre—provided stakeholder input. Consultative feedback was enhanced through informal discussions, and formal arrangements established to facilitate effective interstate dialogue.

Addressing the issues that arose during the consultation process

The following plan elements were developed in close consultation with stakeholder groups and other community representatives:

- the conversion of many entitlements to **tradable water allocations**, including supplemented entitlements in the Macintyre Brook and Border Rivers water supply schemes, and many unsupplemented entitlements throughout the plan area
- the opportunity for Goondiwindi Shire Council to access more high-priority water by converting medium-priority to high-priority water
- the process for release of 3500 megalitres/year (ML/y) of **unallocated water** for irrigation and associated industries in the Stanthorpe Water Management Area as well as 1500 ML/y available to secure Stanthorpe town water supplies
- **operating arrangements and licences for infrastructure operators** including the Macintyre Brook and Border Rivers water supply schemes and the Yambocully and Callandoon water boards
- the **continuous share** arrangements for water allocations in the Macintyre Brook Water Supply Scheme, providing self-management flexibility for water users
- **interstate water trading** provisions that will support the water resource plan end-of-system flow objective and a cap on the long-term average take of water
- consistency with the **Murray–Darling Basin Agreement** and the Murray–Darling Basin Cap on water extractions
- **monitoring and reporting** on the effectiveness of the plan in implementing the water resource plan
- providing a process to **review the water resource plan**

Water allocations—titled assets for a fluid market

The National Water Initiative shows a clear preference for entitlements to be held by end-users as tradable water allocations. The plan achieves this by converting water entitlements that were once attached to land, to water allocations that are separate from land and have their own title.

Tradable water allocations promote efficiency and high-value use by creating a water market subject to the same supply and demand forces that promote competitive efficiency elsewhere in the economy.

The plan provides for supplemented entitlements and most unsupplemented (waterharvesting) entitlements to convert to tradable water allocations.

Water allocations provide users with improved certainty—for example, through clear definition and secure title backed by specified probability of supply. Water allocations with clearly specified performance indicators that are protected by the plan’s rules give owners and prospective buyers a clearer indication of the productive value of water assets.

Improved certainty allows for greater flexibility, with owners able to sell or lease water allocations, subdivide or amalgamate them, or move them to new locations, subject to rules set out in the plan.

These provisions are important for maximising the productive value of water resources in the plan area. For example, they promote diversity by providing an opportunity for water users to explore alternative high-value uses, while allocation holders will be free to sell any water they save, or use it to consolidate their existing operations.

Details about the ownership and attributes of water allocations discussed above can be found in attachments 7 and 8 of the plan.



Photo by Bruce McCollum

Registering changes

Once changes to water allocations allowed under rules set out in the plan have been certified by the department, they can be recorded against the water allocation on the Water Allocations Register.

Water allocation ownership, location, access conditions, water management group to which the entitlement belongs, and other relevant details along with future changes are examples of the information that will be recorded on the register.

It should be noted that sales and other changes to supplemented water allocations will not be certified for registration unless a supply contract exists between the allocation holder and the relevant infrastructure owner—for example, SunWater, which owns Coolmunda Dam and operates the Macintyre Brook Water Supply Scheme.

Fast-tracking changes for an efficient water market

In line with National Water Initiative objectives and arrangements elsewhere in the state, the plan provisions aim, where possible, to allow the free movement of water allocations, subject to consistency with water resource plan goals and hydrologic constraints.

In most parts of the plan area, hydrologic modelling has been used to test the extent to which water allocations can be traded or moved to new locations without detriment to the plan's goals.

Under the plan, all water allocations have been grouped into zones. Generally, water associated with a water allocation located within a zone may be taken at any point within that zone, without any need for further assessment of their effect on planning goals. In the Stanthorpe area, zones have been prescribed to allow water allocations to be seasonally assigned.

Details about the zones discussed above can be found in attachments 2 and 3 of the plan.

Exceptions to the rule

Where a change, including movement to a new location, is not specifically permitted or is prohibited under the plan rules, applications will be assessed under section 130 of the *Water Act 2000*.

Applications must be supported by sufficient information for the department to decide whether the change is consistent with the plan's goals. Proponents will bear the cost of any analysis or other work that may be necessary for their applications to be assessed.

This provision may apply to proposals to permanently relocate unsupplemented water allocations in some water management areas or to move supplemented water allocations between the Macintyre Brook and Border Rivers water supply schemes.

Details of the provisions discussed above can be found in chapters 4, 6 and 7 of the plan.

A coordinated approach to state and interstate challenges

The water resource planning framework for the Border Rivers is supported by high level consultative arrangements between Queensland and New South Wales that address local issues while ensuring compatibility between the different water resource management approaches taken by Queensland and New South Wales.

At the inter-government level, these arrangements are coordinated by the Border Catchments Standing Committee, with representation drawn from relevant agencies in the two states.

An interim Intergovernmental Agreement that deals with interstate water sharing and access arrangements for the Border Rivers catchment has been negotiated with New South Wales. The agreement was prepared in consultation with the Interstate Water Management Working Group, comprising representatives from the water user groups from each state, who provided advice to the Border Catchments Standing Committee.

The provisions of the agreement are reflected in the plan and will be reflected in the New South Wales Water Sharing Plan.

These interstate groups will continue to play an important part in advancing the states' shared goals for sustainable water resource management.

Interstate trading

The Border Rivers Resource Operations Plan and its equivalent, the New South Wales Border Rivers Regulated River Water Sharing Plan, will provide for the interstate trading of water between Queensland and New South Wales.

The plan allows for permanent and seasonal interstate trading of water allocations. Interstate trading agreements provided for under the plan will guide

this type of trade and address administrative arrangements such as measuring water use and compiling and assessing information.

The interim intergovernmental agreement specifies that interstate water trading will be facilitated under a ‘tagged model’. Under this system, water allocations will be tagged to the ‘state of origin’, so that they are defined by their original characteristics, rather than those of state of destination. Since the two states use different

systems for specifying allocations, this is essential for transparent accounting and ensuring that overall planning goals are met. The finalisation of the plan has now allowed Queensland’s water users to be ready to engage in interstate trading along the Border Rivers system as soon as New South Wales finalises its water sharing plan.

Details about the provisions discussed above can be found in Chapter 9 of the plan.

Flexibility and choice for Macintyre Brook Water Supply Scheme water allocation holders

Through provisions developed with support and input from its customers, SunWater will offer a new ‘continuous share’ system, which supports both ‘individual continuous shares’ and a ‘bulk share’. Individual continuous shares provide self-management flexibility for water users while a bulk share facilitates the continuation of the traditional ‘announced allocation’ system. Water allocation holders will be free to move between the two systems subject to rules stated in the plan.

Under the new system, water allocation holders will be assigned a proportional share of the capacity in the water infrastructure through an individual continuous share, incorporating their nominal volume and supported by allowance for losses. Users’ annual volumetric limits will be capped by the size of their share. A user’s individual continuous share will comprise the nominal volume specified on each water allocation and a storage factor established for the water allocation’s location.

SunWater’s position is that by enabling customers to manage their share of capacity, the new system will provide greater flexibility for business management and crop production strategies. Users will be able to access any water they hold, up to the annual resource cap, rather than being subject to the ‘announced allocation’ rules associated with the previous system and now the bulk share.

Inflows to the water storage will be proportionally distributed to support water allocations managed under either the bulk share or an individual continuous share. Whenever an individual continuous share or the bulk share has space available, water allocation holders will be assigned a proportion of inflows.

Allocations that are moved to new locations—for example, through trading—will retain their share of the capacity of the storage, including the storage factor discussed above, with the actual volume available at the new location of take adjusted for delivery loss variation.

For example, the volume available for take would be expected to increase where a water allocation is moved closer to the storage because delivery losses would be lower and, conversely, decrease when moved further away from the storage.

Details about the provisions discussed above and the water allocations supplied by the Macintyre Brook Water Supply Scheme can be found in Chapter 4 and Attachment 7(A) of the plan.



Photo courtesy Tourism Queensland

Yambocully and Callandoon water supply boards

The Yambocully and Callandoon water boards previously operated under remnant order-in-council authorities that have been replaced by better defined licences under provisions of the *Water Act 2000*.

The plan provides for both water boards to be issued with distribution operations licences that will authorise them to divert water from the Border Rivers trunk stream and distribute water to their customers.

Contractual arrangements will protect financial interests by allowing the boards to levy rates and charges for their services, and to charge exit fees for any water that may be traded away from their infrastructure. The boards' financial interest in each water allocation will be recorded on the Water Allocations Register. Separate contractual arrangements will address the boards' relationship with the resource operations license holder.

Supplemented water allocation holders will also hold supply contracts with the resource operations license holder that address management, storage and release of their water allocations.

Specific details of the provisions discussed above and water allocations supplied by the water boards can be found in Chapter 6 and attachments 5(C) and 8 of the plan.

Volumetric conversion of waterharvesting licences

Most waterharvesting entitlements throughout the plan area have been converted to tradable water allocations with clearly specified conditions, including:

- the flow conditions that must prevail for water to be taken
- the rate at which water may be taken
- the nominal volume which defines the share of water available
- the volumetric limit of water that may be taken over a given period.

While for most water management areas an annual volumetric limit will be specified, a three-year limit applies for the Stanthorpe Water Management Area.

Specific details of the process for conversion discussed above can be found in Chapter 3 of the plan.

Stanthorpe area

In consultations with the Stanthorpe Community Reference Panel, the department agreed to base volumetric limits in the area on a three-year total. This was viewed as the best way of supporting existing practices that maximise the opportunities offered by the area's ephemeral and highly variable flows. At the same time, the strategy is consistent with overall planning goals.

Under the provisions, water users will be able to take their full, three-year limit in a single wet year in any three-year period, or take it in parts over a drier three-year period.



Remaining Border Rivers plan area

Management and access to unsupplemented water in the remainder of the plan area also recognises the linkages between local hydrology and crop production practices, although special provisions are needed to address the different development approaches that have arisen in the catchment.

The provisions for converting water harvesting licences in the plan area reflect the requirement in the *Water Resource (Border Rivers) Plan 2003* to treat all licences, including sleeper (i.e. undeveloped) licences the same when converting to volumetric water allocations. This 'licence is a licence' approach in developing the water resource plan was strongly supported by the community. Water harvesting licenses in the plan area have been converted on the basis of availability of water, authorised diversion rate, and the conditions under which the water is taken, i.e. there is no regard to infrastructure developed by individual licensees when distributing water made available under the plan.

A transitional arrangement has been developed to mitigate impacts until the under developed entitlements are either developed or traded to existing development. The plan applies an annual announced limit to the volumetric limit, based on the amount of water able to be taken by developed infrastructure associated with the water allocations. The initial announced allocation will range between 100 per cent and 250 per cent depending on the water management areas and in recognition of the level of development in these different water management areas. This allows existing infrastructure to continue to use water that will

eventually be taken up through water allocations which are currently under developed. The annual announced limit will decrease with development of infrastructure that increases the potential to take water under those water allocations.

Once the annual announced limit is determined to be less than 100 per cent, new water sharing rules will be applied to ensure that the long term average annual take of water in the plan area is maintained at that agreed to under the interim intergovernmental agreement. These new water sharing rules will be based on an 'annual accounting' system. While the plan states that annual accounting is the long term growth limiting system; it is the intention of the department to continue to engage with the community in investigating alternate approaches to manage growth which are both broadly supported and continue to meet the overarching plan requirements.

As a consequence of a review of the access that small irrigation enterprises have to unsupplemented water in the Dumaresq Zone, users in this zone have been granted a higher nominal volume and subsequent volumetric limit than proposed in the draft resource operations plan.

Details about the provisions discussed above can be found in Chapter 9 of the plan.

Seasonal assignment to increase flexibility

Water allocation holders will be able to seasonally assign (temporarily trade) water subject to rules set out in the plan. For example, in the Stanthorpe Water Management Area up to 50 per cent of the entitlement associated with an unsupplemented allocation will be allowed to move, but only to downstream locations within the zone of origin.

Details about the provisions discussed above can be found in chapters 4, 6 and 7 of the plan.



Unallocated water for the Stanthorpe area

An unallocated volume of 5000 megalitres (ML) average annual volume, including 3500 ML for irrigation and associated industry and 1500 ML for town water supply, may be made available in the Stanthorpe Water Management Area. The 1500 ML for town water supply will be reserved for the Stanthorpe Shire Council and will be made available when the council makes a submission for the release of this water in line with requirements set out in the plan. The 3500 ML of unallocated water for irrigation and associated industry may be made available through an auction process that was developed in consultation with the Stanthorpe Community Reference Panel. The plan provides no set timeline to activate the release process.

In deciding whether to release unallocated water, the chief executive will consider the specified criteria stated in the water resource plan, including efficiency and environmental goals.

Details about the provisions discussed above can be found in Chapter 2 of the plan.



Licensing authorised take of overland flow

Overland flow is water that runs off the land following rainfall, either before it enters a watercourse, or after it discharges as floodwater from a watercourse or lake. It does not include rainfall that infiltrates soil, or water collected in rainwater tanks from roofs.

If a high proportion of overland flow water is prevented from reaching watercourses, the overall availability of water, including stream flows, may be seriously reduced, with ramifications for other water users and environmental health.

In implementing the water resource plan, the resource operations plan supports an integrated approach to managing the area's surface water through overland flow provisions structured to complement those for stream flows.

In line with requirements of the water resource plan, the resource operations plan provides for water licences to be issued for authorised overland flow works. The average annual volume that can be taken under these licences must not exceed the average that could be taken before the plan came into effect.

Details about the provisions discussed above can be found in Chapter 8 of the plan.

Provisions for shared storage use

The final plan provides for continued use of notified works that are used to store overland flow water and water taken under a water allocation.

However, if the arrangements are changed—for example where works are reconfigured or the water allocation is subdivided or traded—the linkage between the two types of water will be severed.

Where this occurs, the plan provides for a water licence with a specified volumetric limit to be issued for the overland flow component.

Details about the provisions discussed above can be found in Chapter 8 of the plan.

Metering program will support planning goals

The plan provides for all surface water entitlements in the plan area to be metered in line with measures that already apply to supplemented water. Water taken for stock and domestic uses will not be metered.

The metering program will be consistent with National Water Initiative accounting goals and the state-wide metering regulation established under the *Water Act 2000*. The program will be initiated in the Stanthorpe Water Management Area, where the additional information generated will eventually support volumetric specification for water allocations converted from area-based licences that predominate in the area.

Under the state-wide policy, water users have considerable input into the process to promote practicable arrangements and to minimise costs.

In supporting improved measurement and monitoring of compliance with the plan's entitlements, the information made available from metering will lead to improved resource management throughout the catchment.

The process for installing meters will be guided by the *Metering Water Extractions Policy*, which is available from the department's website: <www.nrm.qld.gov.au>.

Metering fact sheets can be downloaded from the website, or obtained from department offices.

Performance assessment and review

Monitoring and reporting will be used to assess the effectiveness of the implemented water resource plan.

The information gathered will be useful in identifying and tracking any trends that may emerge so that any minor operational adjustments can be effected in a timely fashion.

Importantly, if it becomes evident that the plan's provisions are not meeting emerging demand, or if the plan's goals are not being met, the Minister for Natural Resources and Water may amend or replace the water resource plan that is being implemented.

Details about the provisions discussed above can be found in Chapter 10 of the plan.

Environmental management and maintenance of river health

The resource operations plan must support environmental flow objectives specified in the water resource plan, including objectives for end-of-system flows at Mungindi.

The water resource plan end-of-system objective is consistent with agreements between Queensland and New South Wales. The resource operations plan supports requirements for consistency with the complementary Murray–Darling Basin Agreement, including a requirement to establish a cap on the long-term average annual take of water.

In effect, the cap is established by the flow regime that exists under the water resource plan and will be maintained by water sharing rules that improve low to moderate flows in the Border Rivers.

Compliance with the cap will be audited annually.

Details about the provisions discussed above can be found in chapters 9 and 10 of the plan.

