DELIVERING FOR QUEENSLAND | Queensland Government

Department of
Local Government, Water and Volunteers

Our ref: [redacted]

06 NOV 2026

Mr Grant Kari
Acting General Manager
Water Group
Australian Competition and Consumer Commission
Level 19
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MELBOURNE VIC 3000

Email: [redacted]

Dear Mr Kari

On 6 July 2020, the Director-General of the former Department of Natural Resources, Mines and Energy (DNRME), notified the Australian Competition and Consumer Commission (ACCC) under rule 23A of the *Water Charge Rules 2010* (Cth) (the Rules) of DNRME's view that it satisfied the definition of a Part 6 operator for the Border Rivers Water Supply Scheme (BRWSS).

The role of the former DNRME in relation to the BRWSS is now undertaken by the Department of Local Government, Water and Volunteers (DLGWV).

If the ACCC forms the view that DLGWV is a Part 6 operator under rule 23B of the Rules, DLGWV requests an exemption under rule 23C of the Rules from the operation of the requirements of Divisions 2, 3 and 4 of Part 6 of the Rules.

DLGWV has compiled information in the enclosure to this letter, which will enable the ACCC to consider the matters to which it must have regard to under rule 23C(5) of the Rules in making its exemption decision. I understand that DLGWV has previously responded to the ACCC's requests for information, providing further support for its decision-making.

In assessing DLGWV's exemption application, the ACCC is requested to have particular regard to the maximum volume of water permitted to be taken within the BRWSS in a water year, being 81.88 gigalitres (GL) under medium-priority water allocations and 2.53 GL under high-priority water allocations. These volumes are considered to represent a small proportion of the water entitlements subject to the Rules.

Another relevant matter for the ACCC's consideration is the current review of the institutional arrangements associated with the Dumaresq-Barwon Border Rivers Commission, including BRWSS operations. The review aims to rationalise these arrangements and identify preferred management arrangements for the Border Rivers and intersecting streams. It is expected to cover service delivery, legal arrangements, asset ownership, pricing principles and charging arrangements.

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The review process may take several years before new arrangements are evaluated, agreed and implemented. DLGWV considers that the ACCC should assess how the Rules apply after the review is completed and any associated changes are implemented.

If you require any further information, please contact [redacted] DLGWV on [redacted] who will be pleased to assist.

Yours sincerely

[redacted]

Bronwyn Blagoev
Director-General

Enc

Enclosure

(a) The total volume of water access rights in relation to which bulk water services are provided by the operator, if applicable.

The total volume of water access rights for **Medium Priority (MP) Water Allocations** supplied by the Border Rivers Water Supply Scheme (BRWSS) from 2019-20 to 2024-25 is explained in the table below. In considering the data in the table below, the following should be noted:

- According to the Operations Manual for the BRWSS (www.dlgwv.qld.gov.au/__data/assets/pdf_file/0005/1434749/border-rivers-operations-manual.pdf), the maximum volume of water allowed to be taken within the scheme for a water year is equal to the total of the nominal volume of all MP water allocations which is 81.88 gigalitres (GL).
- The scheme operates under a continuous accounting system which means that the amount of water available to be taken may be greater than 81.88 GL (Column 4) but the amount of water allowed to be taken is capped at 81.88 GL (Column 5).

Column 1	Column 2	Column 3	Column 4	Column 5
Water Year	(A) Total of Individual Storage Account (ISA) Balances at start of water year (GL)	(B) Total Amount of water added to ISA during water year (GL)	(A) + (B) Volume of Water Available for Take (GL)	Volume of Water Allowed to be Taken (GL)
2019-20	3.26	-2.98	0.28	0.28
2020-21	0.26	33.11	33.37	33.37
2021-22	33.09	41.52	74.61	74.61
2022-23	69.61	40.15	109.76	81.88
2023-24	69.61	10.87	80.48	80.48
2024-25	50.63	20.35	70.98	70.98

Notes:

1. The volumes in Columns 2 and 3 have been determined through monthly resource assessments in accordance with the standing operating procedure "Continuous Accounting of States Share of the Inflows to Glenlyon Dam and the Border Rivers Regulated Flows – (July 2009)" approved by the Border Standing Committee under Appendix F1 of Schedule F of the *New South Wales – Queensland Border Rivers Intergovernmental Agreement 2008* (tinyurl.com/2e7p3hmu)
2. The volume of water available for take in Column 4 is the summation of volumes in Columns 2 and 3.
3. The volume of water allowed to be taken in a water year in Column 5 is equal to the lesser of the volume of water available for take in Column 4 and the maximum volume of water allowed to be taken within the scheme (81.88 GL) for a water year.

4. The difference in the volumes mentioned in Column 4 of the table is reflective of the inflows to the dam depending on the prevailing climatic conditions for the year (i.e. wet years result in larger inflows to the dam and larger distributions of water to individual storage accounts compared to dry years which result in smaller inflows to the dam and smaller distributions of water to individual storage accounts). The level of inflow and distribution of water to individual storage accounts is stated in Column 3.

   The total volume of water access rights for **High Priority (HP) Water Allocations** supplied for urban water supply by the BRWSS is 2.53 GL. During the 5-year period from 2020-21 to 2024-25 the volume of water available to be taken by HP Water Allocations each year was 100 per cent or 2.53 GL.

   Table 2 below shows the total water usage for HP and MP Water Allocations:

Water Year	HP Water Allocation Water Usage (GL)	MP Water Allocation Water Usage (GL)	Total Water Usage (GL)
2020-21	1.99	0.22	2.21
2021-22	1.42	4.99	6.41
2022-23	1.8	18.96	20.76
2023-24	1.93	30.68	32.61
2024-25	1.71	19.28	20.99

   Interstate Trading of supplemented water is provided for under Appendix E1 which was made pursuant to Schedule E of the *New South Wales – Queensland Border Rivers Intergovernmental Agreement 2008* (tinyurl.com/2e7p3hmu) and authorised by the Resource Operations Licence (ROL) for the BRWSS. The annual amount of interstate trade/water deliveries from QLD to NSW was 2,167 megalitres (ML) in 2023-24 and 802 ML in 2024-25.

(b) The total volume of water subject to water sharing arrangements in relation to which the operator provides infrastructure services, if applicable.

DLGWV delivers infrastructure services in relation to water sharing through its representation on the Border Rivers Commission. The Border Rivers Commission is a joint Queensland-New South Wales body established under the New South Wales-Queensland Border Rivers Agreement. Its role includes determining the volume of water available in the Border Rivers system and advising each state of its respective share in accordance with Section 31 of the *New South Wales – Queensland Border Rivers Intergovernmental Agreement 2008*. For regulated water, inflows to infrastructure is shared between New South Wales and Queensland in the ratio of 57:43, respectively.

The sharing of water to individual entitlement holders remains the responsibility of the relevant state agencies under each state's water management framework. In Queensland, for supplemented water, this is the responsibility of the ROL holder for the BRWSS.

(c) The infrastructure services provided by the operator.

Sunwater Limited (Sunwater) carries out many of the functions on behalf of DLGWV as the BRWSS ROL holder. The activities carried out by Sunwater on behalf of DLGWV include undertaking water scheduling and delivery, water meter reading and maintenance, water accounting and invoicing of allocation holders (using DLGWV badged templates).

The table below provides more details of the ROL activities which Sunwater undertakes:

Service	Description
Operations River Management	Activities include: • Water ordering, scheduling and delivering customers allocation • Meter readings of customers works (Quarterly) • Preventative maintenance including routine monitoring, servicing and reporting of assets (water meters) • Corrective maintenance including unscheduled or unexpected breakdowns (water meters)
Customer Service	Activities include: • Water accounting, customer statements and reporting • Billing including invoicing, receipting and reporting • Manage customer inquiries and complaints (Front-line) • Provide customer advice on products and services • Maintain online customer portal
Asset Management Service	Activities include: • Undertake condition monitoring assessments of water meters (~5 yearly)
Water sharing arrangements	Activities include: • Providing relevant water use data related to water sharing arrangements.

In addition, DLGWV engages Sunwater to manage, operate and maintain the BRWSS infrastructure under the Asset Management Services contract.

(d) Any preferences expressed by the operator's customers to the ACCC.

There has been no consultation to date on BRWSS customer preferences in relation to the regulation of charges or price setting.

(e) Any views expressed by a State Agency to the ACCC.

Queensland's State Agency, the Queensland Competition Authority, has not expressed any views in relation to the BRWSS.

(f) Whether the relevant law of a state is being transitioned so that the operator's infrastructure charges will at a future date be determined or approved by a single state Agency in a way that is consistent with paragraph 29(2)(b).

Determining or approving charges by a single state Agency is not currently being considered by the Queensland Government.

(g) The proportion of the infrastructure operator's revenue to be recovered from infrastructure charges.

The revenue for HP and MP water which Sunwater receives from BRWSS customers is directly deposited into the Queensland Government's bank account and the total revenue is shown in the table below.

Water Year	HP Revenue	MP Revenue	Total Revenue
2020-21	$29,106	$872,739	$901,844
2021-22	$27,115	$963,097	$990,211
2022-23	$24,499	$1,353,282	$1,377,781
2023-24	$24,002	$1,517,960	$1,541,961
2024-25	$31,146	$1,528,358	$1,559,504

Revenue data is sourced from the Sunwater billing system which is the system used to raise invoices during the respective water years for HP and MP water allocations.

The tariff structure for HP allocations is a tiered volumetric charge which varies for each town supplied.

MP allocations include a Part A (Fixed) and Part B (Consumption) charge levied by the BRWSS ROL holder in accordance with Clause 8 of the Standard Supply Contract No.1 (see following website link).

www.dlgwv.qld.gov.au/__data/assets/pdf_file/0010/1799560/brmwss-standard-supply-contract-1.pdf

One hundred percent of DLGWV's revenue is recovered from HP and MP allocation customers. No other revenue is recovered by DLGWV.

HP and MP charges are not subject to review by an independent regulator.

These charges apply to one HP allocation customer and 131 MP allocation customers.

(h) Any other matters that the ACCC considers relevant.

It is considered this section allows for the ACCC to consider that the institutional arrangements associated with the Dumaresq-Barwon Border Rivers Commission, including the future operations of the BRWSS, are under review. The nature and purpose of the review is to rationalise and identify preferred management arrangements in the Border Rivers and intersecting streams. It is anticipated that the review process will include a range of matters such as service delivery, legal arrangements, ownership of assets, pricing principles and charging arrangements. It is anticipated the review process may take several years before new arrangements are evaluated, agreed upon and implemented.