

# Summary of Gladstone Area Water Board's Queuing Guideline (Source Capacity)

## 1 Overview and purpose

Gladstone Area Water Board (**GAWB**) has developed a Queuing Guideline (Source Capacity) (**Queuing Guideline/Guideline**) to assist GAWB's decision making on how to allot remaining available capacity from its water source(s) (currently Awoonga Dam) between entities seeking water supply (**water seekers**).

The Queuing Guideline is the internal document that sets out the process and criteria GAWB will apply to determine a water seeker's position in the queue for water supply as well as the frequency their position in the queue will be reviewed.

The Queuing Guideline document aims to provide existing and potential customers with a transparent process. This document is a summary of the Queuing Guideline.

Allotment of capacity to a water seeker under the Queuing Guideline will provide them with a nominated period in which to negotiate a water supply contract with GAWB. The Guideline does not change GAWB's standard water supply terms nor does it change the application of supply restrictions (including a low supply alert declaration). For example, allotment of water under the Guideline will be suspended during periods where restrictions on supply alerts apply.

## 2 Determining Available Capacity

GAWB will determine Available Capacity (which is available for potential contracting) as the difference between Total Capacity and Committed Capacity where:

- (a) Total Capacity is the total volume of water GAWB anticipates it can supply (assuming supply restrictions or localised infrastructure constraints are not an impediment, and taking into account the capacity of its water sources, volume of GAWB's water allocations, delivery network constraints, previous supply volumes, storage/network losses, environmental discharges and other matters considered relevant); and
- (b) Committed Capacity is the total volume of water GAWB anticipates it will be required to supply (assuming existing customers take their water reservation, existing water supply contracts are renewed/extended unless that has not occurred a short period before expiry, customers supplied on standard terms are continued, conditional contracts become unconditional and rights/options to additional water are exercised).

Available Capacity will be reassessed periodically or after certain material changes to the Total or Committed Capacity.

## 3 Application and Queuing Process

Entities seeking water will apply to GAWB by completing a Water Application Form and paying the water application fee. An application fee may not be payable where an existing customer is seeking an increase to their reservation at an existing connection.

If there is sufficient Available Capacity to meet all such applications, GAWB will provide a proposal to each applicant about the terms of water supply and seek to negotiate a water supply contract with them.

If there is insufficient Available Capacity to meet all such applications, GAWB will establish a queue, with applications given an order of priority based on the queuing principles described below (with GAWB having a discretion to limit determining the order of priority to the point at which the identified priority applications would exceed Available Capacity). Proposals for water supply will be given to applicants which GAWB has sufficient Available Capacity to meet based on the priority order in the queue and GAWB will seek to negotiate a water supply contract with those applicants.

While capacity is subject to a water supply contract negotiation, it is effectively preserved and not treated as Available Capacity. GAWB may charge the applicant a fee for this preserved capacity that is not available for other water seekers to contract.

GAWB will continue to have discretion to permit short term allotments and contracting outside the Queuing Guideline process. GAWB may also depart from the Guideline where doing so is expected to increase efficiency of GAWB's storage and/or delivery network infrastructure.

#### 4 Queuing Principles

In determining the priority order of a water application within a queue created or reviewed under the Queuing Guideline, GAWB will apply the following criteria (noting the order of criteria below is not determinative of importance and GAWB will determine the appropriate weight to be given to each criteria):

Criteria	Considerations
<b>Existing Reservation Renewal Applications</b>	An application made (at least 3 months prior to contract or option expiry) by an existing customer or option holder whose water supply contract or option is ending for continuation of supply for up to the same volumes at the same delivery points or an option for up to the same volumes on substantially the same terms will, except in special circumstances, be given priority over other applications (e.g. in recognition of the importance of providing certainty to existing industry of continued water supply).
<b>Timing of applications</b>	'First in time' principle is that earlier applications will typically be prioritised over later in time applications (but all applications made within 1 month (or other period nominated by GAWB) after GAWB has issued a general invitation to water seekers for new or updated applications following the initial issue of the Guideline will be treated as being equal in time). If a material change is made to an application, it will be treated as being lodged when that material change was made.
<b>Timing and certainty of commencement</b>	Water supply that will start earlier or is more likely to start will typically be prioritised over water supply that will start later or is more uncertain. For applications made in connection with a project requiring water supply, assessing this criteria will involve considering: <ul style="list-style-type: none"> <li>status of the project (i.e. development, governmental approvals, planning approvals, land tenure, construction procurement, financing strategy, investment decisions, the progress of related projects, availability of other required inputs (e.g. power supply, port access etc.); and</li> <li>anticipated timeline and levels of certainty of the project progressing to construction, commissioning and operations.</li> </ul> For applications which require new connecting infrastructure to be constructed, this will involve consideration of the feasibility, design and timing for completing such infrastructure.
<b>Financial position of Water Seeker</b>	Where GAWB has doubts or concerns regarding an applicant's financial substance, ability to fund the development of the relevant project to which the application relates or ability to meet payment obligations under a water supply contract or other agreement with GAWB (e.g. Connection Works Agreement), their application will typically be deprioritised relative to others for which such concerns do not exist. In assessing this, GAWB will consider an applicant's ability to provide security.
<b>Period for which water is sought</b>	GAWB will typically prioritise long term water demand over short term water demand where GAWB considers the allotting of water on a short term basis may sterilise GAWB's ability to supply water to others on a longer term basis.
<b>More favourable to GAWB</b>	Where an applicant is willing to agree to more favourable commercial terms than another, GAWB may provide that applicant higher priority.
<b>Impact on Existing Customers</b>	Where GAWB considers that an application proceeding to a water supply contract could have a materially favourable or adverse impact on existing GAWB customers (such as placing greater pressure on the delivery network, impacting on water security or requiring augmentation to the shared delivery network), GAWB may prioritise applications with favourable impacts over those with adverse impacts.
<b>Public benefits and special circumstances</b>	Where GAWB considers: <ul style="list-style-type: none"> <li>there could be material public interest benefits delivered by a particular supply (including economic growth, employment or supporting the energy transition), it may provide priority to that application; or</li> <li>there are other special circumstances that warrant different priority for an application (including government policy alignment or corporate responsibility concerns), it may provide different priority to the application.</li> </ul>