

Water Application Assessment Process FAQs

How do customers apply for water supply from Gladstone Area Water Board (GAWB)?

Historically, demand for water supply in Gladstone has not exceeded GAWB's capacity to supply. Growth has also largely been incremental (i.e. one project at a time). To respond appropriately to the current demand forecast, GAWB needed to implement new mechanisms to support its planning and contracting activities. These include a Queuing Guideline (Source Capacity) (Queuing Guideline), Water Application Fee and Capacity Preservation Fee.

A summary of the Queuing Guideline is available on GAWB's website. Based on the application of the Queuing Guideline, GAWB will appropriately allot the limited remaining Available Capacity to Water Seekers.

The Queuing Guideline sets out the process GAWB will apply to determine a Water Seeker's position in the queue for water supply, the frequency a customer's position in the queue will be reviewed, and factors that may result in a change to a position in the queue.

GAWB is running a review of the queue in August-September 2024 in accordance with the Queuing Guideline. This process is open to existing and new customers.

Water Seekers may apply for water at any time through the Water Application Form which can be downloaded from GAWB's website.

Why is GAWB reviewing the queue now for Water Seekers?

In accordance with the Queuing Guideline, GAWB must review the queue at this time. The Queuing Guideline sets out this review process.

What is the Water Application Fee?

A Water Seeker submitting a Water Application is required to pay a Water Application Fee of \$20,685.50 (ex GST). A Water Application is not considered a valid application until the Water Application Fee is paid.

The Water Application Fee has increased for 2024/25 in accordance with CPI.

What if I have already submitted a Water Application? Do I need to resubmit? Do I need to pay another Water Application Fee?

As part of the review of the queue, GAWB will consider any pre-existing Water Applications that have not been progressed to the Water Proposal process.

If GAWB is engaging with a Water Seeker with regard to a Water Proposal (i.e. the Water Seeker has been provided a Water Supply Proposal), then no action is required, unless further water is sought in which case a new Water Application is required for the additional water.

If GAWB has advised the Water Seeker that they are not being provided with a Water Proposal at this time and have been placed in the queue, or GAWB has not yet provided any feedback on the Water Application, Water Seekers can:

- leave their Water Application as is and GAWB will consider it as part of the review process,
- withdraw their Water Application, or
- update their Water Application to reflect the current status of the project.

Where a Water Seeker is updating their Water Application to reflect the current status of the project, a further Water Application Fee is unlikely to be charged. However, where there are material changes such as to consortium members, site location etc., GAWB will advise the Water Seeker if it is effectively a new Water Application and therefore a further Water Application Fee will apply.

How will Water Applications be assessed?

The Queuing Guideline sets out the process and criteria GAWB will apply to determine a water seeker's position in the queue.

What happens if available water from Awoonga Dam is fully allotted? Will there be further water supply available from other sources?

Lifting the Low Supply Alert in June 2023 meant the remaining unallotted water in Awoonga Dam became available for contracting.

The Queensland Department of Regional Development, Manufacturing and Water (DRDMW) is undertaking further studies to secure additional water supply for the Gladstone region to support economic growth and development.

Further processes for water allotments are anticipated in the future if and when additional supply becomes available.

In addition, if a conditional Water Supply Contract does not proceed, any water preserved under that contract will become available to be allotted in accordance with the Queuing Guideline.

What is the Capacity Preservation Fee?

A Capacity Preservation Fee is payable by a successful applicant for the water GAWB holds for them during the validity period of a Water Supply Proposal (on the basis that the water, which is the subject of the Water Supply Proposal, is not available for contracting to other Water Seekers).

Where a successful applicant enters into a conditional Water Supply Contract, the fee will continue to be payable until such time as the contract becomes unconditional and long-term water supply commences at the ultimate reservation volume. The Capacity Preservation Fee is based on the capacity (volume of water) held for the successful applicant and GAWB's storage prices applicable at the time.

The Capacity Preservation Fee is set at 25% of the Storage Access Price plus Storage Administration Price. The Capacity Preservation Fee from 1 July 2024 is as follows:

	2024/25 Prices (\$/ML)
Storage Access Price	\$465.83
Storage Administration Price	\$43.11
Capacity Preservation Fee (25% of applicable Storage Prices)	\$127.24

The following mechanism applies to the Capacity Preservation Fee:

- Proponent's project proceeds – the total value of the Capacity Preservation Fee collected from a customer (minus any associated costs incurred by GAWB), will be offset against that customer's monthly water Storage Charges that will be incurred once their Water Supply Contract commences and is fully operational. This arrangement will apply until the total value of the amount to be offset is utilised at which point, the customer will pay the applicable water charges in full going forward.
- Proponent does not proceed with project or reduces its reservation – the total value of the Capacity Preservation Fee collected related to the volume released, is not returned to the proponent. Rather it (minus any associated costs incurred by GAWB e.g. any tax that may be applicable) will be offset against the annual revenue requirement for the next regulatory period, effectively reducing the amount of revenue GAWB can collect in the next regulatory period. Under this arrangement, all customers of GAWB benefit with reduced bulk water prices and GAWB gains no financial benefit.

Other charges such as delivery fees will apply when water is taken under a Water Supply Contract. These charges will be advised as part of the Water Proposal process. An indication of GAWB's Water Supply Charges are available on the Queensland Competition Authority's website: <https://www.qca.org.au/project/urban-bulk-water/gladstone-area-water-board/>

When will I receive a Water Proposal?

Following the closing time, GAWB will review all Water Applications in accordance with the Queuing Guideline. Water Supply Proposals will be provided to successful applicants where GAWB has sufficient available capacity based on their respective priority order in the queue. Water Seekers should note that caretaker conventions apply to GAWB as a Queensland Government entity. GAWB does not anticipate that Water Proposals will be provided until after the Queensland Government election.

How do I find out whether I will receive a Water Proposal?

All applicants will be notified as the assessment process for Water Applications is completed.