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Understanding Water Allocations

A water allocation is an authority which allows SunWater customers to take water and an entitlement to a share of the available water resource in a catchment or storage.

There are mainly two types of water allocations - *high priority* and *medium priority*. The priority group indicates the reliability of the water allocation and the frequency with which water can be supplied in full.

The 'priority' of water allocation is important in the water sharing rules of your scheme. The rules specify how the available water will be shared between each of the water allocation priority groups throughout the water year.

High priority water

High priority water allocations are the most reliable water allocation. High priority allocations are typically used for town water supply, industrial use including mining and power generation and for high value cropping. A holder of a high priority water allocation will usually be able to access water more frequently and with less restriction on availability than those with medium priority water.

During extended dry periods, high priority water allocations are the last group to be placed on restrictions. Holders of high priority water allocation pay higher fees and charges than medium priority water allocations in order to have more reliable access.

Medium priority water

Medium priority water allocations generally have lower reliability compared to high priority water allocations and are mainly used for agricultural production. This means during drier conditions and when the storage level is low these water allocations are the first to be restricted. Holders of medium priority water allocations pay lower fees than high priority water allocation holders and are often significantly less. The fees and charges for medium priority water allocation are regulated and set by the Queensland Competition Authority.

In most schemes, the lower cost and greater nominal volumes associated with medium priority water allocations means that they are better suited to be used for agricultural production. However, some agricultural enterprises may choose to buy additional (limited) volumes of high priority water allocation as a risk mitigation measure e.g. to sustain permanent crops, such as trees, in times of water scarcity.

Conversion of allocation

Depending on the water supply scheme, water allocation trading rules may permit conversion of medium priority to high priority and vice versa utilising conversion factors subject to limits which vary across catchments.

To find out more information, contact customer support on 13 15 89.