

QFF MEMBERS

Australian Prawn
Farmers Association

CANEGROWERS

Cotton Australia

Emerging Primary
Industries Group

- Australian Ginger
Growers
- Biological Farmers
of Australia
- Flower Association
of Queensland Inc
- Queensland
Aquaculture
Industries
Federation
- Qld Olive
Associations Group

Growcom

Nursery & Garden
Industry Queensland

Qld Chicken Growers
Association

Qld Dairyfarmers'
Organisation

Qld Irrigators Council
Association Inc

Australian Chicken
Meat Council

9 August 2007

Secretary
Senate Environment Communications Information Technology & the Arts
Committee
Parliament House
CANBERRA ACT 2600

Dear Sir / Madam

Re: Submission on the Water Bill 2007

Please find enclosed the QFF submission in respect of the Water Bill 2007.
I confirm I am available to appear as part of the NFF Industry Group by
teleconference at tomorrow's hearing.

Yours sincerely



John Cherry
Chief Executive Office

Submission to Senate Environment Committee on Water Bill 2007

The Queensland Farmers' Federation is the peak farming body representing the interests of 14,000 producers in the intensive agricultural sector in Queensland with a combined GVP of over \$4.5 billion. Our industry member bodies include:

CANEGROWERS

Growcom (formerly Qld Fruit & Vegetable Growers)

Cotton Australia

Qld Dairyfarmers' Organisation

Qld Chicken Growers' Organisation

Qld Irrigators' Council

Nursery & Garden Industry Queensland

Australian Prawn Farmers' Association

Flower Industries Association of Queensland

QFF appreciates the opportunity to present to this Committee. It is our firm recommendation that the Water Bill be recommended for passage, but with the amendments to the risk assignment provisions outlined in this submission.

The Bill in Context:

The Water Bill is the start of what will inevitably be a long and difficult reform process for Murray Darling water users. QFF recognises that the Commonwealth needs to take a national leadership role on the regulation of the Murray Darling basin. However, it has always been our view that water policy reform in the basin would work best if the Commonwealth and State Governments co-operate fully. Further it has always been our view that the powers assumed by the Commonwealth should be those necessary to set strategic directions and caps for the basin, but with the bulk of water planning, management, administration and operations left with the states. Our preferred model was outlined in a letter to the Prime Minister on February 20 as follows:

QFF believes that the Prime Minister's initiative can succeed with a modest referral of powers than currently being requested. QFF wishes to offer a strategic solution that will benefit the communities, industries and environment of the Basin but cause minimal disruption to existing arrangements and securities. There are three key matters for which there should be greater central authority.

1. Strategic basin-wide water resource management plan incorporating;
2. Accreditation of catchment water plans against the basin-wide plan and NWI objectives.
3. Environmental manager to buy, sell and manage environmental flow water consistent with the objectives of the basin-wide plan.

QFF believe that it is possible to achieve the consistency and efficiency required by the Commonwealth through these three key areas. This approach should also accelerate the implementation of the initiative as there will be less interference with existing planning and management systems.

However, it is important that the differences between the Murray, Murrumbidgee and Goulburn Basin and the Darling Basin are recognised and dealt with appropriately in the basin-wide water resource management planning process.

Appropriate Governance arrangements which would facilitate this and retain the confidence of industry and the community as the process evolves are also needed....including a strong commitment to engagement throughout the planning and management process as required by the NWI.

The bill as presented broadly meets this model, but it has been a long and tortuous road getting there. Water policy is extraordinarily complex and the Commonwealth and its officials have faced a very steep learning curve coming to terms with it. Minister Turnbull, to his credit, has been willing to engage with and listen to the irrigator community, with the workability of this bill being substantially improved as a result. Such continuing and high level engagement is essential if this reform process is to be successful and effective in coming years.

Queensland Water Planning Process:

The Queensland water planning process as outlined in the State Water Act 2000 is the most comprehensive, open and scientifically based of any state in our view. The water planning process for the four Murray Darling catchments (Border Rivers, Condamine Balonne, Warrego/Paroo and Moonie) commenced 10 years ago. It has been a learning process for all parties concerned, and the Commonwealth would do well to learn well from that experience. The central lessons is that open and transparent processes, full discussion of scientific and technical information and genuine engagement with water users and the community are essential elements.

Water resource plans for the four Queensland catchments have been finalised and gazetted in 2003/4. However, the administrative instruments to put these plans into operation – the Resource Operations Plans (ROPs) – had only been finalised for the Warrego/Paroo and Moonie as at January 2007. The Prime Minister has since agreed that the ROPs under the other two water resource plans will be fully recognised under this bill. QFF has welcomed this commitment as it is our firm view that our water resource plans provide a sound starting point for the reform process.

Queensland's water planning process over the last ten years has been the most comprehensive in the country. The Condamine Balonne plan has been reviewed by an independent scientific panel which led to the adoption of a unique 'flood event management regime' for the system. The 2005 National Competition Assessment of Water Reform Progress by the National Water Commission also endorsed the Queensland planning process:

"On balance, the Commission decided not to make a recommendation for a penalty for Queensland in view of the following factors:

- *There is little doubt that Queensland has effective water planning processes*, including methodologies for using best available science in developing its plans and comprehensive community engagement as an integral part of legislative planning provisions and planning practice, and
- Based on the current state of knowledge, *none of the Queensland's surface water systems are likely to be over allocated*, and therefore there is not this additional urgency to complete planning and settle the allocations between consumptive and environmental water.”

The Commission noted that Queensland had agreed to take additional actions even ahead of the finalising of its ROPs, including:

- Permit, by way of regulation under the Water Act 2000, permanent trading of interim water allocations in agreed schemes in advance of finalising corresponding resource operations plans, and
- Administratively implement at least some of the low management and monitoring requirements as stated in the finalised Condamine and Balonne Water Resource Plan 2004, prior to the finalisation of the resource operation plan.

It concluded that”...These additional commitments represent a credible approach to achieving the shared objective of Queensland and the Commission to maintain quality plans and to secure the benefits of water reform as soon as possible.”

It is also worth noting that Queensland is responsible for 25% of the basin by area, but takes only 7% of the water in the basin. Total agricultural produce from the Queensland basin is over \$1.6 billion, or 12% of the total for the basin. Queensland irrigation is also highly productive, generating \$458 for every megalitre used (2000/01), compared to \$270/Ml in NSW and \$441 in Victoria. The principal water users in the Queensland basin are cotton (68%), beef (10.5%), dairy (9.2%), horticulture (5.1%) and grains (5.3%).¹ QFF believes that is essential that the Murray Darling water policy reforms strike a proper balance between environmental concerns and the economic and social aspirations of communities in the Murray Darling basin.

Risk Assignment Provisions of the Bill:

The reform agenda outlined in the National Plan for Water Security is ambitious and foreshadows a difficult period of adjustment and uncertainty for water users. For this reason, QFF has been adamant that the starting point for the reform process (including risk assignment and access to compensation) must be full recognition of the existing water resource plans, the ROPs that underpin those and the various classes of water entitlements recognised by the plans. QFF appreciates the engagement from both Commonwealth and Qld Governments

¹ Bryan B & Marvanek S “Quantifying and valuing land use change for integrated catchment management evaluation in the Murray Darling Basin” CSIRO Land and Water November 2004

and the substantive changes that have been made to the draft legislation tabled before the Commonwealth Parliament to help to achieve this objective.

QFF has been concerned from the outset to ensure that there must be effective compensation for all water access entitlements and other water access rights recognised under State water resource plans if these rights are found to be overallocated by the Basin Plan and the water resource plans are reviewed accordingly at the end of the current ten year terms

In his second reading speech to the Bill Minister Turnbull indicated that ‘to ensure a smooth transition for water users in the Basin, the Bill will honour existing state water plans – including any subsidiary instruments such as Resource Operations Plans in Queensland – for the life of those plans.

He has also assured us that the Commonwealth will accept its NWI risk management responsibilities for water access entitlements that are issued under transitional and interim plans and is supportive of the State converting old forms of water rights to those that are NWI consistent , He also recognises industry’s need for certainty on the implementation of NWI risk management strategies and the doubts that arise from the wide variation of planning periods currently applying across the Basin.

Accordingly, entitlements issued under Qld Resource Operations Plans should be recognised as applicable for the risk assignment provisions. This recognition would include water licences, interim water allocations, water allocations and other authority or authorisation to take overland flow water provided for in each water resource plan and specified in each accompanying resource operations plan for the Qld Murray Darling catchments.

To fully reflect these commitments and accepted outcomes, QFF submits that the following amendments are needed:

1. Insert a new s 74A – “For the purposes of this Division, water access entitlement includes a water access right which is granted, issued or authorised under a transitional water resource plan and any instrument made under or for the purpose of such plan and which is identified in Schedule 4A”
2. Insert a new Schedule 4A as follows –

Water Access Rights	Transitional Water Resource Plans and instruments made under or for the purposes of those plans before or after Schedule 4 commences
<p>The following authorisations to take water managed under a plan mentioned in column 2:</p> <ul style="list-style-type: none"> - a water licence - an interim water allocation - a water allocation, and - other authority or authorisation to take overland flow water specified in the plan 	<p>The following water resource plans and associated resource operations plans approved from time to time under the Queensland water Act 2000:</p> <ul style="list-style-type: none"> - Water Resource (Warrego, Paroo, Bulloo and Nebine) Plan 2003 (Queensland) - Water Resource (Moonie) Plan 2003 (Queensland) - Water resource (Border Rivers) Plan 2003 (Queensland) - Water Resource (Condamine and Balonne) Plan 2004 (Queensland) -

3. Amend Schedule 4 so that for items 1,2,3 and 4, the date in column 3 is "31 December 2014".

4. Amend s 77 (9) and s 83 (10) to read "For the purposes of subsection (8), for s 83 (10) read (9), the substitute entitlement *will be taken to be* equivalent to the earlier right if the amount of water that can be taken under the substitute entitlement is *not* more than the amount of water that could be taken under the earlier right."(Changes in italics) (The intention here is to cover changes in the nature of the water right, eg from interim to perpetual, such as happens in the Queensland Resource Operations Plans under Water Resource Plans).

5. Amend s 78 (2) to read “The Basin Plan must specify the long term average limit on the quantity of water that can be taken from the water resources of the water resource plan area *being that which is* applicable immediately before the *Basin Plan takes effect.*” (Changes in italics)

6. Delete sub paragraph (a) from s 81 (2) and sub paragraph (e) from s 83 (1). (The Bill sets out the applicability of the risk assignment provisions and the Basin Plan specifies the extent of relevant changes. This is consistent with the format for ss 74 to 79).

The clauses 1 to 3 were developed by Queensland Department Natural Resources and Water.

