

## **QUEENSLAND GOVERNMENT POSITION COMMONWEALTH WATER BILL**

### **Background**

The first draft of the proposed Commonwealth Water Bill and draft intergovernmental agreement (draft IGA) were released to the States in May 2007.

Queensland has been an active participant in negotiating the contents of the draft Commonwealth Water Bill in the:

- Senior Officers Group, which met 4 times; and
- The Working Group, which met 6 times, comprising of Commonwealth officials and New South Wales, South Australia, Australian Capital Territory and Queensland officials, with Victoria as an observer.

Queensland has not had an opportunity to fully review the whole package of the Commonwealth Water Bill 2007, introduced into Federal House of Representatives on 8 August 2007, and the proposed new IGA. Queensland has not received a copy of the proposed IGA.

### **Queensland Key Issues**

To date Queensland has been discussing and negotiating with the Commonwealth on the basis of a package of both a draft Commonwealth Water Bill and a supporting IGA. Currently Queensland has not yet received a copy of the draft IGA although Commonwealth officials have advised it may be provided next week.

On 1 August 2007 the Premier wrote to the Prime Minister agreeing to refer powers subject to the Commonwealth addressing four key issues:

1. It is vital that in referring any powers, Queensland's irrigators are not placed at a competitive disadvantage compared to irrigators in other Murray-Darling Basin (MDB) States.
  - *Not resolved because:*
    - (a) *There is no consistent Basin wide plan approach has been agreed by all jurisdictions.*
    - (b) *It is Queensland's view that under the programs under the National Plan for Water Security it is not clear that all Queensland water authorisations are eligible.*
2. The Commonwealth's commitment to fairly compensate Queensland water users for any loss of value of water authorisations under the new arrangements and provide structural adjustment assistance to any Queensland industries and communities affected by the new arrangements must be clearly reflected in the final versions of the Bill and IGA.

- *The compensation provisions do not, as requested by Queensland, clearly apply to all relevant Queensland water authorisations, as defined under a Queensland water resource plan, as being potentially eligible for compensation.*
  - *Contrary to Queensland's understanding of the package of measures agreed by first Ministers, there is now a real risk the Commonwealth could require changes to Queensland's water resource plans through implementing the Commonwealth's Basin Plan, resulting in a compensation liability for Queensland, without Queensland having agreed to refer its powers or having settled outstanding issues, and now ultimately a matter beyond Queensland's control.*
  - *Commonwealth officials have advised that It is only once **all** states have referred their powers, the Commonwealth will assume the compensation liability to be borne by the States under the NWI and ensure that States will not be responsible for any net real increase in costs arising from implementing the later comprehensive Commonwealth Water Act and NPWS.*
  - *The current proposal requires Queensland to agree to refer powers without any surety of the Commonwealth assuming liability for compensation or the costs of implementation, which was a fundamental part of Queensland's original discussions.*
3. Queensland considers that future substantial amendments to the Commonwealth Water Act should only be made where there is the agreement of each State that is significantly affected by the proposed amendment.
- *As the new Commonwealth Water Bill now relies only on the Commonwealth powers, this issue will need to be further considered if and when the Commonwealth Water Act is up-dated to include the referral powers.*
4. The IGA outlines mechanisms by which the Commonwealth will cover the cost of implementing these new arrangements. Queensland is nonetheless seeking a clear statement from the Prime Minister that the Commonwealth will meet this obligation.
- *The Commonwealth is not guaranteeing it will meet the State's costs of implementation until **all** States agree to refer powers.*