Queensland Government

Ref CTS 11176/08

Department of
Natural Resources and **Water**

19 NOV 2008

The Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
Parliament House
Canberra ACT 2600

Attention: Ms Jeanette Radcliffe

Dear Ms Radcliffe

Please find attached Queensland's further submission to the Senate Inquiry into Water Management in the Coorong and Lower Lakes, to support our previous submission made on 11 September 2008.

This further submission addresses the second part (Part 2) of the Terms of Reference for the inquiry, that is, implications for the long-term sustainable management of the Murray Darling Basin system.

Please be assured that Queensland will continue to play its part and work cooperatively with the Commonwealth and other jurisdictions as well as the communities and stakeholders involved in addressing the challenges of water management in the Murray Darling Basin and achieving the desired outcomes in the future.

Should you have any further enquiries, please do not hesitate to contact Mr Greg Claydon, Executive Director, Strategic Water Initiatives of the department on telephone (07) 3224 2418.

Yours sincerely

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FURTHER QUEENSLAND SUBMISSION TO SENATE INQUIRY INTO WATER MANAGEMENT IN THE COORONG AND LOWER LAKES (PART 2)

1.0 Introduction

The Queensland Department of Natural Resource and Water made a submission to the Senate Inquiry into Water Management in the Coorong and Lower Lakes on 11 September 2008 which addressed Part 1 of the Terms of Reference.

This further submission addresses Part 2 (2a to 2g) of the Terms of Reference, namely Queensland's views on implications for the long-term sustainable management of the Murray Darling Basin system.

2a. The adequacy of current whole-of-basin governance arrangements under the Intergovernmental Agreement

The Inter-governmental Agreement (IGA) on Murray-Darling Basin (MDB) Reform (IGA) signed off by the COAG on 3 July 2008 provides the new institutional structure and governance arrangements for the MDB. Queensland is a signatory to the IGA, and has cooperated with the Commonwealth (C'th) in the process leading to its development.

The new governance arrangements include a new Commonwealth body (the MDB Authority) to manage water resources in the Basin replacing the current Murray-Darling Basin Commission (MDBC), a new Ministerial Council, a Basin Officials Committee and a Basin Community Committee.

A key element of the new arrangements is the preparation of a whole of Basin Plan by the MDB Authority as per the requirements set out in the *Water Act 2007 (C'th)*. The Basin States will have an advisory role in the preparation of the Basin Plan. The Commonwealth Water Minister will be the decision maker on the Plan.

The IGA (Schedule B) provides the roles and responsibilities of the Commonwealth Minister, the MDB Authority, the Ministerial Council, the Basin Officials Committee, the Basin Community Committee and the Basin States in integrated planning and management of the Basin's water and related resources. Schedule C provides a diagrammatic representation of the new governance arrangements and relationship among involved parties. Queensland has been working to put in place appropriate arrangements to progress the IGA.

The Queensland Parliament on 11 November 2008 passed the *Water (Commonwealth Powers) Bill 2008* which provides for the limited referral of Queensland powers to the Commonwealth, paving the way for new arrangements to manage the Basin's water resources. The referral of powers includes changes to ensure consistent application of water charging and water trading arrangements within the Basin, and allows the Basin Plan to provide for critical human water needs. The legislation, which was assented to on 13 November, 2008, also formalises the grant of 10.6 gigalitres of previously unallocated water from the Queensland MDB catchments to the Commonwealth Environmental Water Holder established under the *Water Act (2007) (C'th)*.

2b. The adequacy of current arrangements in relation to the implementation of the Basin Plan and water sharing arrangements

Basin Plan

Queensland supports development of a Basin Plan under the provisions of the *Water Act 2007 (C'th)* and its amendment in accordance with the *Water Amendment Bill 2008 (C'th)* that is currently being considered by the Senate and which will give effect to the IGA on MDB Reform when passed and assented to.

It is expected that the Basin Plan will be finalised in 2011. Queensland will work with the MDB Authority as part of its statutory planning process to support and advise on the development and implementation of the Basin Plan and its elements. A key element will be the *long-term average sustainable diversion limits* which, as defined in the *Water Act 2007 (C'th)*, must reflect an environmentally sustainable level of take and will be set for the Basin's water resources, both for individual water resources and the Basin as a whole.

Queensland has its statutory water resource plans (WRPs) in place in all its MDB catchments. These plans are recognised as *transitional water resource plans* under the *Water Act 2007 (C'th)*. These plans are being implemented with the resource operations plans (ROPs) finalised for three of the four plan areas (that is, Border Rivers, Moonie and Warrego/Paroo/Bulloo/Nebine) and the draft resource operations plan released for public consultation for the fourth (that is, Condamine-Balonne).

Under the transitional arrangements of the Water Act 2007 (C'th), these Queensland plans will cease to have effect on 1 September 2014. Therefore, Queensland will develop new and/or amend existing water resource plans in consultation with stakeholders (including MDB Authority) whilst ensuring consistency with the Basin Plan to seek accreditation from the Commonwealth Water Minister by that date.

Queensland currently undertakes water management activities including monitoring, reporting and enforcement of WRPs/ROPs under State legislation. These activities

include matters relating to overland flow, amount of take under existing entitlements, water allocation security objectives and environmental flow objectives.

Queensland will cooperate with the MDB Authority on monitoring, reporting and enforcement of the Basin Plan, including sharing of information, and coordinated monitoring and reporting as per the requirements of the *Water Act 2007 (C'th)* and the new/amended WRPs/ROPs.

Water sharing arrangements

Sustainable diversion limits to be determined as part of the Basin Plan (as defined in the *Water Act 2007 (C'th)*) will set the quantity of water (both surface and ground water) that can be taken from any part of the Basin water resources at an environmentally sustainable level. Therefore, Queensland will, as part of its planning processes to develop new Basin Plan compliant WRPs/ROPs, will (i) ensure that sustainable diversion limits in WRPs are consistent with those set out in the Basin Plan, (ii) adjust water access entitlement regimes and water sharing rules in consultation with stakeholders as required, and (3) manage water resources within the new set of parameters.

The level of adjustment required for a particular area will depend upon the degree of reduction (if any) in the new sustainable diversion limits relative to the figures under existing WRPs/ROPs, recognising various risk factors including climate change predictions in the MDB. Risk sharing provisions are outlined in the National Water Initiative Intergovernmental Agreement of 2004 (NWI).

2c Long-term prospects for the management of Ramsar wetlands including the supply of adequate environmental flows

Queensland's WRPs including those for its MDB catchments provide desirable outcomes, including ecological outcomes, for the plan area, specify environmental flow objectives (EFOs) at specific locations, and outline strategies for achieving them. ROPs then provide detailed rules and management arrangements in order to implement WRPs consistent with the specified outcomes/objectives. They include requirements for water and ecosystem monitoring, assessment and reporting.

The ecological outcomes aim at maintaining a healthy riverine environment, floodplains and wetlands. Currawinya Lakes (Currawinya National Park), which falls in the Warrego/Paroo/Bulloo/Nebine (WPBN) WRP area, is the only Ramsar-listed wetland within the Queensland section of the MDB, although there are other significant wetland systems such as Paroo Overflow Lakes. Parts of the Narran Lakes in New South Wales are also Ramsar listed wetlands and specific water sharing and environmental flow provisions for the Narran Lakes, in addition to other ecological assets, are contained in the Condamine and Balonne Water Resource Plan 2004 (CB WRP).

EFOs in the WRPs are specified as per the ecological needs identified during the planning process (for example very high end of system flows for the WPBN WRP

area and specific environmental flow rules for the Narran Lakes in the CB WRP). The Department ensures compliance with the management rules in the ROPs, including provision of adequate environmental flows downstream by water users and infrastructure operators.

Queensland will continue to work with the Commonwealth to fulfil Australia's international obligations with respect to Ramsar-listed wetlands. It will work with the MDB Authority as part of the Basin planning process to improve an understanding of the needs and condition of the wetlands and other environmental assets of the MDB and provide for adequate environmental flows for their protection.

2d The risks to the basin posed by unregulated water interception activities and water theft

Unregulated water interception activities
In Queensland, the WRP process considers the extent to which unregulated water interception activities (such as farm dams and bores, land use change including large-scale plantation forestry and overland flows capture) is likely to affect water resources availability in a plan area and hence pose a risk to the water allocation security objectives and environmental flow objectives under the WRP.

For catchments in Queensland where the WRP process has been finalised, forestry activities have not been identified as significant sources of overland flow interception. However plans are routinely monitored and reported and regularly reviewed and updated to take into account impacts caused by land use and other changes which may result in significant interception. All Qld MDB WRPs already address overland flow.

Using a risk based approach, overland flow is now regulated via WRPs in the majority of plan areas, including all Queensland MDB catchments. Such risk-based management of interception activities is supported by the NWI. Works that interfere with overland flow water, as distinct from works that 'take' overland flow, may be regulated under the *Integrated Planning Act 1997*, generally by local governments.

It is noted that CSIRO's MDB Sustainable Yields Project has assessed the potential impacts of likely projections of farms dams and commercial plantation forestry across the Basin by 2030. These are generally considered to be small risks (relative to the risk of climate change). With particular reference to Queensland MDB catchments, the study has found negligible expected future development of commercial forestry plantations, and negligible to small likely future development of farm dams. This in turn would have very minimal to minor impact on water availability and flow regime.

Although detailed data on some unregulated interception activities may be currently lacking, Queensland will work with the Commonwealth in improving the information base and achieving improved outcomes following a risk-based approach.

Water theft
Under the Water Act 2000, the Department currently carries out the investigation and enforcement of illegal activities such as water theft, unauthorised works for storage, unauthorised diversion and pumping, and meter tampering. In its *Review of Preliminary Assessments of Risks to Shared Water Resources 2007*, the Murray-

Darling Basin Commission's Independent Audit Group (IAG) stated "The IAG was impressed by the Queensland approach to ensuring compliance with water policy and regulatory controls and in dealing with reports of inappropriate or illegal water related practices. The approach deals with all natural resource management compliance issues and involves several dedicated compliance teams and a central support team, as well as what appeared to be a sound administrative process and monitoring, which includes the use of satellite imaging. The Queensland approach to natural resource management compliance may well be a model for other jurisdictions to consider." Once the Basin Plan is in place, the MDB Authority will have an enforcement role under the Water Act 2007 (C'th). The Department will support the MDB Authority in that role of preventing illegal taking of water in the MDB.

2e The ability of the Commonwealth to bind state and territory governments to meet their obligations under the National Water Initiative

Queensland recognises its obligations under the National Water Initiative (NWI) and has allocated substantial resources to progress the various elements of the NWI. Whilst progress in some areas may be somewhat lagging behind, Queensland has made significant progress on a number of areas (e.g. water planning, water security including urban water reform).

Queensland like all jurisdictions is facing resourcing challenges and delays in delivering on some parts of the NWI caused by extended drought conditions in many parts of the State and competition for limited skilled staff. Some NWI actions by their nature require national co-ordination and collaboration to ensure consistency between the states and territories. Queensland has representatives on the working groups that have been set up to progress these initiatives. Overall Queensland is progressing well towards fulfilling the requirements of the NWI, as confirmed by the first biennial assessment of progress on implementation of NWI in 2007 by the National Water Commission.

2f The adequacy of existing state and territory water and natural resource management legislation and enforcement arrangements

In response to the national water reform agenda, Queensland delivered the *Water Act 2000* which has underpinned major changes to the management of water resources in Queensland. The new water management arrangements are being progressively implemented across the State.

More recently, the State reform agenda has focussed on assuring water security for urban and industrial needs. A major amendment to the *Water Act 2000* occurred in the form of the *Water Amendment Act 2006* to strengthen regional water supply planning and demand management for SEQ. As part of continuing reform, the Queensland Government recently amended the *Water Act 2000* and enacted the *Water Supply (Safety and Reliability) Act 2008* which provides the regulatory framework for providing water and sewerage services, recycled water and drinking water quality, referable dams and flood mitigation responsibilities. These Acts are administered by the Department of Natural Resources and Water, except for Chapter 2A dealing with water supply and demand management for the SEQ region that is administered by the Queensland Water Commission and the Department of Infrastructure and Planning.

Both the *Water Act 2000* and *Water Supply (Safety and Reliability) Act 2008* provide for the investigation and enforcement of illegal and unauthorised activities. These activities are carried out by the Department's water management officers in conjunction with dedicated compliance officers. The Department has allocated high priority and substantial resources in setting up and operating its compliance units across the State.

These reforms and initiatives are expected to continue in future, with particular focus on their implementation, driven by the National Water Initiatives (NWI), a renewed COAG water reform agenda, ongoing State water reform initiatives, and the changing needs of the water users and communities. It is considered that there is now a clear regulatory environment and mechanisms are in place to support an efficient and sustainable water industry in Queensland.

2g The impacts of climate change on the likely future availability of water

CSIRO's MDB Sustainable Yields Project has used the best currently available data, information and knowledge to assess the potential impacts of likely climate change by 2030 on future water availability, flow regime and water use, for each of the 18 regions (on an individual catchment and aquifer basis) as well as the basin as a whole.

The regions are the major catchments of the Basin and reflect existing WRP areas for Queensland section of the MDB. The likely impacts vary for different catchments. However, the best estimate of climate change by 2030 would generally reduce water availability, water use and is likely to somewhat adversely affect the flow regime (e.g. end of system flows) and the environment.

Queensland has been actively cooperating with the Commonwealth and CSIRO on the project, both at technical and steering committee levels. It provided existing river system models that underpin WRPs, other relevant data and information, analysis and general advice.

Queensland will continue to work with the MDB Authority in considering the likely climate change impacts in the development of the Basin Plan. Queensland will also adopt a risk-based approach and an agreed best practice methodology to consider likely climate change impacts when it develops new and/or amend existing WRPs for its MDB catchments when current WRPs expire on 1 September 2014.