AGRICULTURE, RESOURCES AND ENVIRONMENT COMMITTEE

Members present:

Mr IP Rickuss MP (Chair)
Mr SV Cox MP
Mr S Knuth MP
Ms MA Maddern MP
Ms J Trad MP
Mr MJ Trout MP

Staff present:

Ms H Crighton (Acting Research Director)
Mrs M Johns (Principal Research Officer)

PUBLIC HEARING—WATER REFORM AND OTHER LEGISLATION AMENDMENT BILL 2014

TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, 29 OCTOBER 2014

Brisbane

WEDNESDAY, 4 SEPTEMBER 2014

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Committee met at 9.17 am

CHAIR: Welcome, ladies and gentlemen. I declare this meeting of the Agriculture, Resources and Environment Committee open. I would like to acknowledge the traditional owners of the land on which this meeting is taking place. I am Ian Rickuss, the member for Lockyer. The other committee members here with me today are: Jackie Trad, the member for South Brisbane and deputy chair; Shane Knuth, the member for Dalrymple; Anne Maddern, the member for Maryborough; Michael Trout, the member for Barron River; and Sam Cox, the member for Thuringowa.

These proceedings are being transcribed by our parliamentary reporters and are being broadcast live on the Parliament of Queensland's website. The purpose of this meeting is to assist the committee in its examination of the Water Reform and Other Legislation Amendment Bill. The bill was introduced by the Hon. Andrew Cripps MP, Minister for Natural Resources and Mines, and subsequently referred to the committee on 11 September, with a reporting date of 17 November 2014. The committee's report will help the parliament when it considers whether the bill should be passed. I remind everyone that the bill is not law until it has been passed by the parliament.

I would now like to invite our first witnesses—Ms Frances Hayter and Mr Andrew Barger from the Queensland Resources Council and Mr Matthew Paull from the Australian Petroleum Production and Exploration Association—to come forward. Can I remind you to please state your name and the group or organisation that you are representing before you speak. Do you wish to making an opening statement?

BARGER, Mr Andrew, Director Industry Policy, Queensland Resources Council

HAYTER, Ms Frances, Director Environment Policy, Queensland Resources Council

PAULL, Mr Matthew, Policy Director Queensland, Australian Petroleum Production and Exploration Association

Mr Barger: Thank you, Chair. I would like to thank the committee for the opportunity to appear today and, like you, would like to acknowledge the traditional owners of this country on which we meet today. I have a brief synopsis of the pretty general—actually it was a pretty unusual QRC submission. Rather than our usual rats-and-mice submission—'should it be if and when in section 6,000'—we did a big, broad canvass submission. I just want to call out a couple of things that our members wanted to emphasise and also to explain that we have deliberately left the CSG issues to Matt to talk to. It is not that our members are not concerned about that, but they are happy for Matt to talk to those issues.

So, really broadly, in our submission, like a lot of the ones you had, there was a lot of agreement around the intentions of the act. In terms of delivering, there were a lot of recurring themes around greater water security for water users, and we were really pleased to see the minister specifically call that out in introducing this bill. The other thing that comes through regularly in the submissions is the fact that this is a whole-of-package reform. It is a complex set of reforms and a lot of the detail is in regulations and practices. So we are taking a bit of a leap of faith at the moment. We have seen legislation, but we do not have the full picture of how it will work. Certainly that is something that we would emphasise. I think that leads to the third common message, which is around the transitional provisions. Clearly for the resources industry you are dealing with changes in rights and a fundamental change in the way the industry accesses and uses water. So it is really important that there are no hiccups in that process so that you do not have existing productions or approvals imperilled in that process.

The broad message really of our submission is that we like the direction of the reforms—the idea of if you can keep the level of environmental protection and water security constant but reduce the amount of regulation and red tape then that seems self-evidently to be a good thing. But it is such a complex bill and it is being developed in such a short time frame. It gets everyone a bit jittery when you are altering people's water rights and doing it on the express timetable that we have seen. It is also worth calling out that the department has done a really good job to try to get all of the

stakeholders' heads around what is a big, complex, sprawling bill, and they have worn out a lot of shoe leather darting backwards and forwards talking to us all. That has really helped to explain the details as they have come out.

With that context, I guess the four major things we wanted to call out in our submission and we are happy to field questions on are, naturally, the change in water rights under the special agreements acts. That is something that the people who hold those water rights are very anxious about. We appreciate that the legislation has a voluntary approach. It talks about providing a pathway to bring those water entitlements in. The keen eyed lawyers have spotted that section 206 gives the chief executive an ability to then change those water rights, so there is a question about whether that is appropriate for those water rights that were once legislated under the special agreements acts.

The broad concern from the mining industry has been that the framework for the take of water that has been developed for CSG in the Surat Basin has worked quite well there. You will see in the submissions that you have had other stakeholders express concerns about parts of it, but for the most part it has dealt with complexity and uncertainty reasonably well. The mining industry is just not quite sure that, having developed a system for a specific commodity and a specific geological base, extrapolating that across the whole state is the right way to go—whether you wouldn't be better to run an assessment process of how well the existing regulations deal with these issues and what a framework that was developed specifically for mining might look like, given the very different nature of the production and the impacts on water. So I guess that loops back to that concern about the pace at which the bill is being developed.

Finally, there are some omnibus elements to the legislation. So tacked on are some safety and health amendments that relate to overlapping tenures and changes in the Mineral Resources Act. One of those calls out an ability for prosecution powers for the safety inspectorate to be delegated down within the department. We are concerned that that seemed a bit open-ended, so we had some suggestions about how the ability to delegate it could be narrowed a little bit to reflect the seriousness of those proceedings kicking off. Do you have anything to add, Frances?

Ms Hayter: Only, I think, just the perpetual issue that there are obviously accompanying guidelines and particularly a regulation and, as always, it does make it hard to give informed comment when you do not have the whole package. Again, I guess that comes down to it being done in a bit of a rush. We have been told that we will see those, obviously, but it is a perpetual issue when there are accompanying bits that give explanation about how certain bits in the act will actually be implemented.

CHAIR: Matthew, would you like to make a comment?

Mr Paull: I will just restate the main point of our submission. We can see the rationale of what the government is doing with respect to the petroleum industry, which is to put it on an equal footing with the broader resources industry and bring it into the planning framework. We do not oppose that, but, as we have noted in our submission, that is being done without first identifying what the alternative is going to be. The transition period that has been provided to establish what that alternative is is, we think, relatively short. It is not unachievable. We are ready to work with the government on it, but that is our main point. That uncertainty does have an impact on investment and sentiment, and the quicker we resolve the uncertainty the better for all.

CHAIR: How can we improve the transitional arrangements? What do you feel should be done with the transitional arrangements? Do you feel that the older legislation should be left in place for a certain amount of time until the transition is worked out fully? What is your solution?

Mr Paull: In terms of the specifics of how the transitions work?

CHAIR: Both of your submissions raised concerns about the transitional arrangements. If anything, what should be changed?

Mr Paull: I do not think we are suggesting that anything should be changed.

Ms Hayter: Just more detail.

Mr Paull: Yes, there is some detail that needs to be established in the transitional period. We do have two years for most of Queensland and five years for the rest of Queensland. So projects can continue to operate during that period, but the issue for us and for those projects is that right now there is a question mark about what happens at the end of two years. So there is some work to be done just to establish the mechanics of that and how that will operate. We do not underestimate it, because water rights can be complicated. Doing something for the petroleum industry may have implications for others and vice versa. So we need to work through all of those issues with government and with other stakeholders, and that is our focus at the moment.

CHAIR: Matthew, we have discussed the overlapping tenure issues in the committee before. Are they going to give you too much grief, do you feel?

Mr Paull: No. We have raised one point about the site safety plans. That is an administrative thing. That could be a bit of a headache for the industry, but we do not see it as a major issue.

CHAIR: Coming back to the transitional arrangements, Andrew, do you have any comments?

Mr Barger: Yes. I guess coming on the back of what Matt said about petroleum having a two- or five-year transitional period and then a question mark when you get to the end of that, for the mining industry that question mark is on commencement. So it is coming at them much faster. Going back to the purpose of the reforms around water security, if there is not a clear transition where existing water users have confidence that they are going to be able to continue to operate, then it would seem like there would be a need for some sort of transitional mechanism. We talked to the department and the minister about mirroring that CSG sort of time frame. They have a much better understanding of the way the system is administered and they are reasonably confident that that transition will be seamless, but there will be a bit of holding of breath when the act commences as to whether people have that continued ability to operate and use the water rights before and post commencement.

Ms TRAD: My first question is to the Queensland Resources Council. I am not sure whether it is for you, Ms Hayter, or for you, Mr Barger, but on I think page 3 of your submission you state—

> All water users have been accustomed to deep and on-going consultation at a catchment level; which has simply not been possible in the time allowed for the development of this Bill.

In your opinion and in reference to that statement, how long, roughly, would it take to do a consultation process at a catchment level for all users?

Mr Barger: That is great question. The process we were talking about was the development of the first-generation water plan. So in some catchments, particularly the early ones where the process was evolving as it went along, like the Fitzroy, that was a two-, three-, four-year process. Clearly that is going to be difficult to do. But I guess a midpoint would be—I notice AgForce and QFF talked about a review of the water resource planning process as part of this process. The point we wanted to make in the submission was that water planning in the past has been a bit bottom-up. It has been managed by the catchments and there has been quite a lot of ownership there. By contrast, having this change can seem quite threatening as it rolls out across the state on the day of commencement. To answer your question, if you were trying to do all of the catchments simultaneously you would probably need to clone the department 35 times over and it would still take a couple of years. It would be a major undertaking.

Ms Hayter: I think also the act changes the process about how water resource plans will actually be done, so I do not have a view on whether or not the proposals are good or not because we just have not had the opportunity to work through what that means.

Ms TRAD: What indication have you been given from the department around the regulations and the time frame in which they can be given to you?

Ms Hayter: My understanding is that they are obviously being worked on now and probably in the next couple of weeks, I would have hoped. If there is anybody from DNRM here, I hope they do not want to smack me in the back of the head.

CHAIR: You would expect it to happen well and truly by the end of the year?

Ms Hayter: Absolutely, yes.

Ms TRAD: In relation to the new water rights framework, are you satisfied with the modelling or the assessment of water supply and security in Queensland in order to secure that water rights framework?

Mr Barger: I think I would need a bit more context. When you say the modelling for water security, did you mean—

Ms TRAD: The assessment and modelling for water supply.

Mr Barger: For the existing water rights?

Ms TRAD: Yes.

Ms Hayter: For the industry or for the whole of—

Ms TRAD: For all water users.

Mr Barger: My experience, having sat on a couple of those community reference panels, is that the process has been pretty rigorous. We have had some debates about what is the right flood level, what are the environmental flow objectives and how much climate change you factor in. At the end of the day you might end up with not everyone satisfied that their answer was on the table, but there was a genuine engagement around that process. My experience has been that the confidence has been pretty high. It is a moving feast. You are always going to do better modelling now than you did 10 years ago and you will have more data and more measuring points, but I think the technical capability of the department has always been one of the real strengths of that planning process because if they got snookered—if there was a question they could not answer—they always took it on notice and sort of brought the homework back to the group. So I think one of the strengths of the Queensland system has been that confidence that the modelling that has gone into what are the minimum flows for the environment and the timing of those has been quite transparent and well scrutinised.

Ms Hayter: I think there is also probably better implementation for trading, which I think this act asks for as well. Better trading provisions or the implementation of those I think will also enhance supply opportunities or balance things out. Some people need it and some people do not.

Ms TRAD: Have you done much thinking in relation to the transition from licensing to allocations?

Mr Barger: Not a lot, to be honest. For the most part that has really been an issue for the agricultural sector. Most of the industry's water use is already in that system, so we are not seeing a lot of concern around that. I think to the extent that that translation is done in a consistent manner so that—back to the big headline of water security—that translation is not changing other people's water security or entitlements.

Ms TRAD: Mr Paull, just in relation to non-associated water, do you want to make any comments in relation to that?

Mr Paull: In what context?

Ms TRAD: In terms of the changes that have been proposed by the legislation.

Mr Paull: As we said, we can see the rationale for what the government is doing. Our main issue is defining what the alternative is and how the petroleum industry will secure non-associated water under the new system.

Ms TRAD: What has been the response from the department to date in relation to discussions—

Mr Paull: We are in discussions with them.

Ms TRAD: You are still engaging with them.

Mr Paull: They have been doing what they can to get that process started. As I said, there is quite a lot that needs to happen, and a lot of other stakeholders will have a view on it as well. So we are working through that process, but our focus is getting to the end of that and defining how the industry will get non-associated water in the future.

Mr COX: In the EDO submission they state that they support the proposal to remove the statutory right of a holder of petroleum leases to extract non-associated water, but they have a concern that the move to give mineral resource projects the statutory right to take associated water is unwarranted and risky. Do you have any comment on that?

Mr Barger: The gist of their submission seems to be echoing some of the lock-the-gate sentiments that there is this huge free kick to the industry and the industry is being gifted water rights. If you read the specific section and do not go on to see all of the other responsibilities that come with that, you could reach that conclusion. I have seen some people in the media trying to portray it as a 'gift' to the industry. The reality is that with that entitlement to take the water comes a whole regulatory framework designed to make sure that it does not damage the environment, that it is used appropriately and that it is monitored. I can understand how they have convinced themselves that that is an appropriate thing to write down, but it is reading a very specific part of the bill very narrowly and I think it is a bit of mischievous to sort of present it as the sum impact of the bill.

Mrs MADDERN: Just going back to these transitional arrangements, you have expressed concern about what happens at the end of the transition and moving into the legislation as it is framed. Are you unhappy with the transitional arrangements themselves, because it seems to me

when you have a transitional arrangement it is meant to flow automatically into the new framework? It seems to me that you are saying at the end of this transitional arrangement we are still not sure what is happening.

Mr Paull: We would prefer that what happens after the transitional arrangements was defined before we had the legislation. That is what we would prefer.

Mrs MADDERN: So it is regulation and that sort of thing that you are concerned about?

Mr Paull: Yes. We can work with that uncertainty. The government has said that they will develop an alternative during that transitional period, so we will work with them on that.

CHAIR: Thank you very much. Thanks for appearing again. I look forward to seeing you at another committee meeting.

DELANEY, Mr Gordon, Manager HSEQ for Bulk Water and Irrigation Systems, SunWater

HINES, Mr Bryce, Sport, Recreation and Natural Resources Manager, Ipswich City Council

MAUDSLEY, Mr Craig, Chief Operating Officer (Works Parks and Recreation), Ipswich City Council

McDONALD, Mr Paul, Manager Offsets, SEQ Catchments

WARNER, Mr Simon, Chief Executive Officer, SEQ Catchments

CHAIR: Thank you for making yourselves available this morning. Simon, do you have an opening statement that you would like to make?

Mr Warner: Thank you, Chairman, and thank you to the committee for the opportunity to comment on the acts. We have comments on both the River Improvement Trust Act and the Water Act. The changes to the River Improvement Trust Act are strongly supported by SEQ Catchments and our members. We do suggest that there need to be some minor modifications to make it workable. The modernisation of the act will provide a very powerful instrument for tackling the serious issue of water degradation in South-East Queensland which impacts heavily on the region's economic and environmental health. It is worth noting that the Queensland government, through Minister Cripps, has been discussing the establishment of a Brisbane River Improvement Trust for some time as a way of providing South-East Queensland with a vehicle to address these issues that we have been working on for some 10 years.

We think the main issues regarding the act are contained in our submission, but we will say that establishment of a river improvement area with the powers identified in the act across the majority or all of a catchment within South-East Queensland will be an important step forward in tackling the persistent and unresolved issues of catchment management in high-risk areas such as the Logan and Brisbane River catchments.

Over the past decade the Australian and Queensland governments have made a major investment in natural resource management bodies—such as SEQ Catchments—right across Queensland. SEQ Catchments is a member based organisation representing various sectors across the community. SEQ Catchments has developed significant expertise in planning and implementing river restoration and catchment management, and it would be an advantage to the trusts set up under the act to include them either as members or in another formal capacity. As such, consideration should be given in the bill to recognising the accredited natural resource management bodies across Queensland. It is also worth noting from some of the other submissions, particularly Ipswich and the Scenic Rim, that they are also supportive of a Brisbane River Improvement Trust.

Going to the Water Act, the explanatory notes to the bill state 'it is often difficult to identify where the boundary between a drainage feature and watercourse lies', and as such the mapping process and identification or differentiation between a drainage feature and a watercourse feature will be critical to water-quality outcomes in South-East Queensland.

We also then refer to part 7, Amendment of Vegetation Management Act 1999, in the bill. The importance of waterway identification mapping is again highlighted as the basis on which vegetation clearing in the watercourse or lake is regulated. Given the importance of the mapping in relation to water-quality outcomes, particularly in South-East Queensland, SEQ Catchments requests that further clarification on the process to be established by the department for drafting and consultation regarding the mapping exercise be clarified. SEQ Catchments has extensive resources and expertise in waterway mapping that may be of assistance, as does Healthy Waterways.

In relation to riverine protection permits and acquiring materials, the extraction of sand and gravel from waterways has the potential for serious impacts on the health of regional rivers. Increasing construction activity and the pressure to upgrade roads and networks will create unprecedented demand for sand and gravel, especially in South-East Queensland. Extracting sand and gravel from regional rivers is a recognised environmentally high-risk activity. While we are not suggesting that it should cease, we do ask that consideration be given to a number of things that could improve performance. We are suggesting that performance measures and a monitoring

program be associated with the granting of an allocation. The requirement on the proponent to develop and implement an environmental impact management plan, including methods to avoid, mitigate and offset impacts, should also be included.

Activities under both the riverine protection and quarry allocation permits can potentially have significant impacts on waterways, and we suggest that within South-East Queensland in particular all works on drainage features and waterways should be potentially code assessable. The recently developed legislation which went through this committee and the parliament relating to the construction and modification of levees provides an innovative model that could well be used in this case.

In relation to water planning, both sets of plans are based mainly on the allocation of water. Under the act there is little provision for a statutory water plan based on the protection of water quality. We think this is a significant reduction, and it is worth noting that both in South-East Queensland and on the Great Barrier Reef this will be a very important outcome. We note that the Victorian Water Act has provisions for water supply protection plans designed specifically to protect water quality in drinking water catchments. We request that the committee consider the inclusion of water quality within elements of the Queensland water planning framework.

The last one is one that we did bring up with the committee when we considered the Land, Water and Other Legislation Amendment Act in relation to the level of protection provided under the various acts for riparian vegetation in South-East Queensland. There is significant evidence that when the 0.5 hectares are implemented in South-East Queensland—in particular given the nature of land ownership in South-East Queensland—it could have a serious impact on vegetation protection in riparian areas, which is significantly important to water quality going into Moreton Bay.

CHAIR: Craig, would you like to make a comment?

Mr Maudsley: Thank you, Mr Chairman. Firstly, Ipswich City Council welcomes the opportunity to make a clarification on or an addition to the submission that we have provided. Council's submission is primarily about the proposed amendments to the River Improvement Trust Act. I think it is probably worthwhile pointing out that the Ipswich City Council is one of only two local governments that actively participate in an existing trust within South-East Queensland, so it does have some significant experience about how a trust operates and the value, advantages and challenges of a trust. The three core matters in the submission relating to the bill cover the membership, makeup and appointment; the precept negotiation and funding; and the scale, the local catchment versus a whole of South-East Queensland catchment. I will just touch on each of those very quickly as the submission has been provided.

It is of concern to council that the way the bill is written at the moment could preclude any local government involvement in a trust and, indeed, the way that you could interpret part of the proposed bill is it would make it an exclusion of local government from participating in that trust at the minister's discretion. That is a concern for council, in particular based on the success to date of council being closely involved with the ongoing Ipswich Rivers Improvement Trust. Again—a little bit related to previous submissions—the bill refers to a regulation about establishing a trust, and at this point I am unable to comment on that regulation as it has not been released as yet.

The second issue of concern to council, which is outlined in our submission, is the notion of the liability to contribute. Ipswich City Council fully supports a contribution towards trusts and their operation and certainly has a long track record of supporting the Ipswich Rivers Improvement Trust. However, the concern with the way the bill is currently structured is that should a future trust in a local government not be able to negotiate an appropriate precept then the minister has the authority to simply mandate that precept. That becomes somewhat even more difficult to understand as, should the bill go through as is, local governments may be or in some cases will be excluded from any future proposed trust and are then expected to contribute an amount that would be solely determined by the minister. There is a direct link between those two issues.

The other issue, just briefly, is the notion of scale. The Ipswich City Council fully supports moving towards a whole-of-Brisbane-catchment scale. Ipswich City Council has some reservations about a whole-of-South-East-Queensland catchment but certainly moving towards a whole-of-Brisbane-River catchment. However, what has been suggested is that there needs to be haste with caution, I suppose, as there are two existing trusts in South-East Queensland functioning very effectively and to simply do away with those trusts in favour of a large trust will have, in all honesty, difficulties in being established and in being effective.

It is really in those three areas: the membership, the precept and the scale. I could go into further detail, but I think the submission has that, Mr Chairman.

CHAIR: I do agree with you, Craig, in the fact that the Brisbane river trust would be a lot more relevant to the Bremer, Lockyer and Brisbane rivers. The Logan and Albert rivers are different areas altogether. I do agree with you. Gordon, would you like to make a quick opening statement?

Mr Delaney: Thank you for the opportunity for SunWater to make a presentation to the committee in regard to the bill. We made a submission on 9 October and our submission has been generally in support of the bill, but we have some comments that might be of interest. Before I get on to our comments, it might be good for the committee to hear some background details about SunWater, just very briefly: who we are, what areas we are working in and why our comments would be of relevance in this matter.

SunWater is a government owned corporation that owns and operates bulk and distribution water infrastructure throughout regional Queensland, so that is excluding the south-east corner. This is large infrastructure like dams, weirs, pumping stations and irrigation systems. We play a key role in the Queensland water industry, supplying water to around 5,000 urban, industrial and irrigation customers consisting of farmers, rural industries like food processing, raw water supplies for regional towns and cities, mining enterprises. This really means that our activities underpin the local economy in significant areas of rural Queensland.

Getting a bit closer to this matter, under the current legislative framework SunWater is a water service provider and resource operation licence holder for 23 water supply schemes throughout Queensland—and this is going from Mareeba right down to St George, so it is quite a large regional coverage. The Water Act now being amended lays out the framework for SunWater's activities and the roles that we hold and the associated water plans. These are the rules, essentially, by which SunWater must operate.

I suppose the last key point about SunWater is that we remain in close contact with our customers, who are generally water allocation holders. They hold that property right. We do this through our irrigation advisory committees and we maintain active links with the peak bodies like QFF and Canegrowers. Elements of our submission have been based on the concerns of our customers as well in terms of their stature as water allocation holders and, I suppose, in areas about security of supply and the cost of water supply.

I will briefly outline the five main points we have made in our submission. In regard to the surrender of water allocations, the bill contains provisions for an individual water allocation holder to surrender his or her water licence to the chief executive of the department with the consent of the ROL holder, so SunWater is invited to give an opinion on that. We would also like to see that same principle apply to prospective cancellations of water licences. That would be a further step down that track.

Item 2: amending a water plan to implement a water development option. The bill provides that the minister may amend a water plan so that it is consistent with the commitment for a major water infrastructure project under a water development option. SunWater suggests that an explicit requirement should exist for consultation with the ROL holder of a water supply scheme which is likely to be impacted by the proposed major water development option.

Point 3: the costs of preparation and consultation in regard to operations manuals. The bill provides for resource operations plans, which are more commonly called ROPs, to be replaced by more flexible operations manuals. However, the Queensland Competition Authority, QCA, is effectively SunWater's economic regulator in regard to costs and water prices for irrigation customers. The QCA will need evidence that the costs incurred by SunWater in preparing and amending operations manuals are both—to use their words—prudent and efficient, so we are under that sort of microscope. Hence, SunWater believes that more detail is needed in regard to the requirements for what constitutes adequate consultation in regard to SunWater's preparation of these operations manuals.

Under more general points, item 4: general authorisations to take water. SunWater understands that the thrust of the changes is to minimise red tape. That is good. In regard to low-risk uses of water that could potentially affect pre-existing water entitlements, SunWater has some suggestions, for example consultation with a ROL holder downstream of watercourses that are proposed to be designated as these low-risk areas. A second dot point: to provide further details on what constitutes contaminated agricultural run-off. Again, that is in regard to a take of low-risk water.

Finally, item 5: the security for supply and storage of water allocations. The existing Water Act already contains a provision for financial security for supply and storage of water allocation. SunWater uses this provision in that guarantees are sometimes requested and can include things

such as bank guarantees, parent company guarantees, director guarantees and so on. The ability for a ROL holder such as SunWater to seek these guarantees reduces the costs associated with bad debts, so we recommend that this provision be retained in the amended Water Act.

CHAIR: Simon, in your submission you recommend the inclusion of water quality. Is that on whole-of-stream water quality or is that just, for example, 100 metres downstream from a quarry operation? What sort of water quality are we looking at here?

Mr Warner: Chairman, I think it has to refer to whole-of-stream and the outcome, particularly in South-East Queensland where we look at Moreton Bay and the issues that are faced by Moreton Bay. We need to look at water quality from a whole-of-stream perspective, for the fact that Brisbane's water supply in the main depends on water quality coming out of the catchments and so does the health of Moreton Bay. We would suggest that it needs to be whole-of-stream water quality. In the particular circumstances of activities within the stream, whether there be a permit or quarrying or excavation, we think water quality should be an outcome that needs to be addressed in the performance criteria for anybody who is extracting or undertaking activities within a stream.

CHAIR: You would have been pleased to see that just recently Healthy Waterways announced that the quality of Moreton Bay was improved. The difficulty remains that there was a downgrading or staying the same—D was the Lockyer, for instance. There is very little flow in the Lockyer, of course, at the moment, because of the dry weather, even though the aquifers are quite full and so on. Is there, at times, some difficulty in deciding what good water quality is?

Mr Warner: Water quality will always be subject to the vagaries of nature. If you do not get rain, you will have a deterioration in water quality. Of course, we are suffering one of the driest years we have had, particularly in the areas that you have been speaking about. One of the things to note is that the improvements we have seen in Moreton Bay and the grades in Moreton Bay have been not only as a result of the activities they have done and the fact it did not rain but also as a result of a significant investment made by previous governments and this government in relation to things such as waste treatment plants and the others. There has been over $1 billion worth of investment made in point-source pollution control. In relation to diffuse pollution control, we will need the same sort of level of investment if we are going to see water quality continue to improve and, particularly, to deal with those problems with the fresh-water grades in South-East Queensland.

CHAIR: I suppose that would flow into your clarification of the clearing in waterways and those things that you raised earlier and the fact that, as much as a lot of people seem to think a D9 in a creek is a good option, it really is not that good an option; is it?

Mr Warner: It is never a good option to have a D9 loose in a creek. The issue is that sometimes you do need to actually put machinery in a creek to improve the creek, so it is not as if it is an exclusive sort of thing. The reality is that all the evidence and all the science shows that good riparian health leads to better water quality, both at the site and downstream. Riparian health is probably the highest priority in relation to improving water quality in South-East Queensland.

CHAIR: Craig, on your river trust: I know the Bremer and the Brisbane rivers both run through Ipswich, Warrill Creek and those sorts of areas. Would the council feel it would be quite appropriate, then, to be involved with the upper reaches of the Brisbane River, the Lockyer, Oxley Creek, the lower reaches of Oxley Creek and those sorts of places for the one river trust?

Mr Maudsley: Certainly, Mr Chairman. Council has been on record supporting a whole-of-Brisbane-catchment view. Council's concern is that we have a very effective Ipswich Rivers Improvement Trust and it has been functioning for quite some time and is across water quality, environmental and a whole range of flood protection and other issues. The concern is about moving straight to a whole-of-Brisbane-catchment trust and just jettisoning the existing structures. Council's submission is that there be a transition from the existing river improvement trusts in South-East Queensland towards a whole-of-Brisbane-River catchment. Council is certainly of the view that a contribution by all of the stakeholders within the Brisbane River catchment is required, but not to actually just abandon working, valuable existing structures in one strike, if you like. We see a transition from the existing local based catchments through to a whole-of-Brisbane-River catchment. The challenge will be how you translate whole-of-catchment planning to local action and local activity. The advantage of the existing Ipswich Rivers Improvement Trust and the Scenic Rim Rivers Improvement Trust is that they can actually relate to local activity. That will be the challenge. Certainly council supports a whole-of-Brisbane-River-catchment approach, but it is a notion of how we transform or transition from the existing local based effective delivery to a whole-of-catchment delivery.

Mr COX: I have a question on behalf of the regions to you, Mr Delaney. In your second point amending the water development option under section 52 regarding the fact that the minister may amend a water plan, you say that there probably should be written in there more consultation with resource operations licences such as SunWater. I can understand your question, but wouldn't the minister be consulting with not only you but also many other people who may be involved? Should we make sure we cover everyone and put that in there rather than just have it for those particular people, because I am sure it would be a wider group of people who would be consulted?

Mr Delaney: I guess that is a good general point. I think I was just trying to lay out SunWater's position in terms of comments that are applicable to us, but we understand the intention would be that that consultation would be broad and sufficiently detailed. I suppose at SunWater we see ourselves a little bit as representing the views of our customers in a particular scheme which could be in an adjacent catchment or perhaps downstream of a proposed project. So we felt at least from our point of view we would certainly like to be formally consulted. If it was possible to get that into the legislation, that would be a good thing in our view.

Mr COX: Thank you for that and, again, they may even talk to some of your users. The minister may consult anyway. In terms of your next point with regard to the operational manuals and the costs, I understand fully where you are going there in that the QCA are—a lot of people do not realise this—the people who determine the pricing, similar to electricity. You are saying that you would like more detail on what that constitution would be. Wouldn't it just be in SunWater's best interests to make sure they had done adequate consultation because that should be part of your normal day-to-day dealings?

Mr Delaney: Yes, absolutely right. I suppose that comment really arises from the fact that we have been operating under the QCA framework for four or five years at this stage and it has just been our experience that unless something is really black and white they are effectively checking how we spend resources that were allocated, and it is their right and proper role to do so. I suppose they will always ask the question: did you really need to do that with regard to building and repair works? Did you really use certain materials or could you have done it more cost-effectively? They would ask that. From an engineering viewpoint, that is an easy one to answer. When you get into more broader areas like consultation, that is a bit more difficult for us to say, 'Yes, we had to do adequate consultation. We had to run three road trips up to that particular area, sit down with the irrigators and that cost time and resources which gets charged.' It would just give us a bit more certainty that when we are trying to do the right thing we have adequate consultation so that the QCA are able to see a clearer guidance and say, 'Okay, that's well within what we would regard as adequate consultation—tick. We approve your expenditure.' So it is in that sort of context.

Mr COX: I gather, then, that you would be doing the best in terms of operations as you could, but I guess if that is what you are doing there should be no problems in that whatever you present to the QCA would be adequate?

Mr Delaney: Yes. For example, what we had envisaged is perhaps in the legislation that in the explanatory notes there were some examples of a very small localised thing—

Mr COX: Yes, different types.

Mr Delaney: Yes, different types of consultation.

Mr COX: Thank you, Gordon.

Mr KNUTH: My question is to Simon. With regard to contamination, do you feel that this legislation protects more the water users downstream?

Mr Warner: For our purposes it is a little moot that that is an intention of the outcome and we would like to make sure that it was one of those things that was taken into consideration in the act as a whole in that water quality does not appear to be a major priority of the act compared to issues to do with quantity and availability. So we are suggesting that there probably should be some increase in the focus within the act on achieving water quality, whether that be through the process of the chief executive officer or others making decisions in relation to activities in the stream and making sure that water quality is a priority issue that is considered when giving approvals right the way through to, in the water planning context, making sure that water quality continues to be a significant issue taken into consideration when doing water planning.

Ms TRAD: Mr Warner, good morning. That was going to be my question. Where do you see water quality being included within the legislation? Do you see it sitting within statute under the water plan within the act or do you see it being referred to in regulation or being incorporated in administrative documents?

Mr Warner: I think it needs to be in both, but I would suggest the regulations are probably the area where most of this would be attended to. But to give the CEO or others the opportunity to ensure that water quality is an outcome in relation to activities to undertake within the stream is important to be included within the act.

Ms TRAD: Maintenance or improvement of water quality? What would you like to see?

Mr Warner: At the very least maintenance or at the very least taking into consideration the potential impacts, and we do cover that in our submission in that when approvals are undertaken they understand what the impacts upstream or downstream for a particular activity would be and not just the impact on landholders or others who may be directly affected but on the overall concept of improving or maintaining water quality.

Ms TRAD: Is SEQ Catchments concerned with the refocusing of the legislation away from ecologically sustainable development and more towards responsible and productive management of water resources?

Mr Warner: We were part of a discussion that was held across the regional bodies in relation to changes in the act and we feel that through that consultation process the balance still seems to be there—that is, that while environmental sustainability is not as clear in the objectives of the act it is still accounted for within the act.

Ms TRAD: Mr Maudsley, in relation to the inclusion of local government on river trusts, has a direct approach been made to the government and has the government responded?

Mr Maudsley: No. We have addressed that through our submission. We find it a little bit confusing in the bill that it does refer to inclusion of local government but then in the next clause it refers to the fact that the minister may establish a trust and then has no requirement to include local government—indeed, exclude local government. So we find that a bit confusing and, as I say, it certainly seems to contradict, then, the liability of local governments to contribute financially to a trust when it may be a trust that is formed by the minister that excludes local government.

Ms TRAD: So you would like to see this committee take that up as a potential recommendation in relation to the membership of the river trusts?

Mr Maudsley: We have certainly made that comment in our submission.

Mr KNUTH: So basically at the moment you contribute to the trust but this legislation takes away that contribution?

Mr Maudsley: No. At the moment council does a significant annual contribution through a precept to the Ipswich Rivers Improvement Trust. Council does have two elected members who are members of the trust. The bill as it stands at the moment allows the minister to establish a trust and that will cover two or more local government areas, but it may or may not include local government representation. Indeed, the minister can make a decision to exclude local government representation, but then even if there is an exclusion of local government representation the bill still has a requirement for local government to contribute financially. If that cannot be negotiated between the trusts and the local government, the minister then can simply make a decision and mandate the contribution the local government must make. We find that a little bit of a contradiction.

Mr TROUT: Mr Warner, with regard to water quality, do you see that as the responsibility of local government? When you said that you would like to see that as a big part of this bill or changes that you would like to see, are you intimating that this would be a responsibility of local government?

Mr Warner: No. I do not see water quality as the responsibility of any particular level of government. I see it as a responsibility for the community as a whole, but included in that we need frameworks within the legislation that allow local government and others to undertake activity within a framework which considers water quality as an objective, as an outcome. Local governments have always had an interest, particularly in South-East Queensland, in water quality. The questions about that can be seen by the fact that they have contributed to the Healthy Waterways Partnership for some time, but that needs to be supported by legislation that actually provides protection to the activities that they may undertake.

CHAIR: Thank you. That was highlighted recently in the floods of course, Simon, in terms of water quality. Really, every person who lives in South-East Queensland does have some responsibility to the Bremer River, the Brisbane River, the Logan River or whatever river because they affect everybody. Thank you very much, gentlemen, for your time.

BALDWIN, Dr Claudia, Lecturer, Regional and Urban Planning, University of the Sunshine Coast

OLAH, Mr Peter, Executive Director, Council of Mayors (SEQ)

SMITH, Mr Scott, Projects and Portfolios Director, Council of Mayors (SEQ)

CHAIR: Claudia, would you like to make a brief opening statement?

Dr Baldwin: Sure. I guess my comments are prefaced on the fact that I think it is really important that the community retains trust in governments and in politicians, so it is really important that decisions are made on the basis of the best information and that the community has an input into it. I also think it is really important that we do not inadvertently end up with a long-term liability that the taxpayers have to take care of because we have stuffed up legally. Those are the two opening statements that I wanted to make about the reasons I am concerned about some provisions of the amendments.

CHAIR: What provisions of the amendments do you feel might end up giving us long-term liabilities, Claudia?

Dr Baldwin: I guess one of the concerns is to keep our commitment to access to water resources before the EIS is even completed. There are the provisions that allow change to a water licence where it does not impact a resource. It is not really clear how the decision is to be made that something does not impact a resource if you do not actually complete an information and review process. With regard to access to unallocated water, again in most of those areas we do not understand what is happening to the water resource and so making decisions without having the knowledge may protect the government from some liability.

Mr COX: In terms of proposed deregulation, can you advise of any research, findings or cumulative impact on the low-level water take, so where there may be issues there? Is there any sort of evidence in that case that problems may arise?

Dr Baldwin: Low levels of water take? Is that what you said?

Mr COX: Yes, low level and the impacts.

Dr Baldwin: I guess it depends on how you describe low levels of water take. I am certainly aware of systems where, even with good knowledge, certain aquifers have been detrimentally affected. There are aquifers in the Lockyer and in some southern towns where that is the case, so I do not know what you mean by 'low level'.

Mr COX: That is fine. Thank you.

Ms TRAD: Good morning, Dr Baldwin. Just referring to your submission, I note that you have recently published a book called *Integrated Water Resource Planning: Achieving Sustainable Outcomes* in which you look at case studies from around the world as well as Australia. Can you please advise the committee on how the bill in its current form compares to water management practices or water management laws across Australia and internationally?

Dr Baldwin: My book does not cover the proposed bill.

Ms TRAD: No, I understand that.

Dr Baldwin: One of the premises for good water legislation is that the community gets involved and they use the best available information to make decisions, so where that is not happening I would be concerned.

Ms TRAD: One of the issues that raised concern from a variety of submitters is the new section which allows the chief executive officer to enter into a water development option for large scale water projects before assessments are undertaken. What is your view on this?

Dr Baldwin: I think that is really inappropriate, and that was what I meant by my first comment about bidding to access water. What it means is that the person who makes that decision does not have a defence for his decision, so he can be open to criticism. Without adequate information he is subject to lobbying and all sorts of things, so in some ways it is protecting the decision-maker by ensuring that all adequate information is available to him before he is asked to make a decision.

CHAIR: Thank you very much, Claudia, for your time this morning. We will have to keep moving, unfortunately.

Dr Baldwin: On re-reading the bill there are a couple of other things that I thought of, and I would like to send a little note about them. Some useful ideas came up when I was working in the Lockyer Valley, and so I will just send them along.

CHAIR: I knew I knew the name 'Claudia' but I was struggling to work out—

Ms TRAD: Ian is the member for Lockyer, so now he is interested.

Dr Baldwin: I knew that. I interviewed him for my—

CHAIR: No, I even said to the research director, 'I know that name from somewhere.' I do remember that, thank you.

Dr Baldwin: Thanks for letting me have a little say.

CHAIR: Peter and Scott, if you would like to make a brief opening statement.

Mr Olah: Thank you, Mr Chair and members. On behalf of the Council of Mayors, I am pleased to have the opportunity to briefly discuss and answer questions regarding our submission. If I could, I will give you a brief overview of how we have come to this position and why this is an important regional project for us and then talk through in detail some of the specifics that we have raised with regard to concerns about the bill before the House.

The Council of Mayors represents the interests of the 12 mayors and councils of the region. Dating back to 2011 there has been discussion amongst the mayors who make up the board of the organisation about a better, more regionally focused approach to the management of catchments across the region. The reason that is urgent has been pretty obvious over the last few years, but there are important reasons going forward as well. This has been the fastest growing major region of the nation for a couple of generations. Over a 30-year period it is projected to remain one of the fastest growing regions in the country, both in population terms and in economic terms. One of the great facilitators of that growth is our waterways, and our waterways have several specific issues which are not being dealt with as well as they could.

We have a lot of projects happening in this region and all of those projects are worthwhile and valuable in and of their own right, but what is missing is an overarching plan for the management and improvement of our waterways. That is a problem, and it is a problem because, firstly, we live on a flood plain. Brisbane is the only major city in this country that is built on a mature flooding river. We have open catchments, and much of the population growth that is projected for the next generation is within those catchments, so you have a doubling down of the potential issues as a result. Over that 30-year horizon there is not a plan in place that says, 'Here is how we manage across the region or per catchment.' That is the basis on which our approach has been informed.

The result of that has been an agreement within our strategic plan from last year and this year to look at a regional catchment management approach. We define 'catchment' as more than just the waterways; it is everything from the paddock at the top end to the bay at the bottom. The definition has been looking at the totality of the system rather than looking at erosion versus flooding versus sedimentation as separate symptoms. Early this year in February and March a high-level agreement was signed setting out those principles and agreeing to work together. The signatories to that agreement were the Council of Mayors, SEQ Catchments, SeqWater, Healthy Waterways, Queensland Urban Utilities and Unitywater. There has been substantial work done collaboratively between those organisations looking at both long-term planning and shorter term—for want of a better term, 'no-brainer'—projects that need to be done quickly and with an even alignment of current funding so that there is more bang for buck.

More recently obviously we have had substantive discussions with the state, and even more recently than that the river improvement trust revision proposal has come along and we have had discussions about that, too. We have discussed at a number of levels the potential with models for the SEQ region. There is no agreed position on whether a single RIT or multiple RITs are a preferred model, so we do not have and do not present a position on that. What we do present, though, are mutually agreed concerns about the proposed amendments to the River Improvement Trust Act which we feel apply, whether there is one RIT or 20. Regardless of the RIT structure, these concerns apply for the local governments across this region.

As I said, they are specific to the amendments to the River Improvement Trust Act, and I will go through them quickly. They are outlined in our submission on pages 5 and 6. Firstly, the capacity to sideline local government at the minister's behest is a significant change. It is a power that not only does not currently exist but also goes against the discussions that we have had with the government which are about empowering local government and local communities through the amendments to the RIT. No. 2 similarly goes to the same point, which is the capacity to have local input into naming the RIT. No. 3 goes to clause 24, section 5(1A). Currently it would be hard to imagine a RIT without a local government commitment to that RIT. Within this amendment is the power for the minister to establish a RIT with no local government representation. In fact, read

broadly, the amendment would allow for a RIT not only with no local government representation but also with no local resident representation. We have significant concerns about the applicability or workability of a RIT without that sort of representation.

No. 4 is a prime concern. It is clause 41, and it goes to the power to effectively tax local governments from a RIT. We have some issues with that in an environment where money is tight. We have very significant issues with that in an environment where potentially that RIT has no input and no representation from the local governments concerned. We would argue that, regardless of that change, there should be a reasonableness requirement in terms of local government contributions regardless of local government representation. There is no current reasonableness requirement in the amendments.

Finally, a small but important feature: there are numerous references to the Local Government Act 2009. In order to capture the biggest council, and therefore potentially the biggest contributor to a regional solution, there should be references added to the City of Brisbane Act 2010.

CHAIR: Just on that, would the Council of Mayors accept that at times—I think you are reading it rather broadly with no local involvement—there might be an appointment of people with specific skills to that RIT which naturally could exclude some of the local councils, if you know what I mean? If you have the Claudia Baldwins of the world, they have specific skills that are needed on that RIT.

Mr Olah: Our position is that regional whole-of-catchment solutions need to bring in all of the skills and all of the knowledge that is available. Excluding local government does not do that.

CHAIR: The Brisbane River catchment—which would include the Lockyer, the Bremer and the Warrill—the Caboolture River and the Albert-Logan River catchments are probably the three main catchment areas of South-East Queensland. Would you feel that they would work better separately, or has your group discussed whether they would work better separately and have one or two meetings a year to cross-fertilise that sort of information?

Mr Olah: There have been extensive discussions since the RIT proposal was put on the table, both between mayors and council officers and certainly between mayors and ministers. What I am saying to you is that there is not a regional local government position on this. There are some councils who feel that a catchment-only RIT position is the best solution; there are others that would prefer a whole-of-region solution. We are saying that that goes to governance, and governance is an issue in the current structure and improvement to that could be achieved either way. What is more important from our point of view is going to whole-of-catchment planning and whole-of-catchment delivery.

CHAIR: Of course it is important, as 75 to 80 per cent of South-East Queensland's money is held in private hands and all of the riparian landholders cannot afford to do a lot of the maintenance that is required when they have a major flood event like in 2011. That is where we need the whole of the catchment to chip in and give us a hand.

Mr Olah: Mr Chairman, at the core of the issue is the capacity to have a proper critical path for the works done over the long term in each catchment. That is not a criticism of the works currently being done—they are all good works—but are they all pointing towards an outcome that is the improvement of that catchment? Well, clearly not. What we are saying is that to make sure we are spending our current dollars better we need to point towards that sort of approach. Moreover, if you look at the success in a political sense of the three tiers of government—for example, with the Murray-Darling Basin or reef rescue—working together and coming up with a plan for the whole catchment or the whole region is the key to having that sort of financial input ramped up to achieve the right solutions.

CHAIR: I totally agree.

Ms TRAD: So are we going to make a recommendation to that effect? Just in relation to the liability of a local government to contribute to the trust, would you be more comfortable if the amount was determined by the chief executive officer or an independent ombudsman?

Mr Olah: We would be most comfortable if it was determined by the RIT and there was a reasonableness test in there and the RIT included substantive local government involvement.

Ms TRAD: And you were to contribute to the RIT?

Mr Olah: Yes.

CHAIR: Thank you, gentlemen. That was very interesting.

PARRATT, Mr Nigel, Rivers Project Officer, Queensland Conservation Council

POINTON, Ms Revel, Solicitor, Environmental Defenders Office of Queensland

TOUCHIE, Ms Karen, Campaigner, Wilderness Society Queensland

CHAIR: Good morning everybody. Would you like to make a very brief opening statement?

Ms Touchie: Thank you very much for the opportunity to present. We have raised a number of issues in our submission. I want to focus on one in particular today, and I would also like to pose the very simple question to the committee about whether these reforms are more or less likely to lead to an over-allocation of water.

In our view there is absolutely nothing in this bill that can give Queenslanders any confidence that their water will be appropriately managed for current and future generations. Instead, hydrological modelling—the cornerstone of good water resource planning—seems to have been thrown out the window, along with proper consultative processes and the rights of existing users. What the bill gives us in their place is an increased centralisation of discretionary powers in the Coordinator-General and the chief executive of DNRM and a decreased role for independent and rigorous science.

In that context, the provisions for water development options, which Dr Baldwin referred to earlier, give a good illustration, and that is what I would like to focus on just briefly this morning. These provisions allow the chief executive to give any big proponent an in-principle commitment to water on the basis of what the bill vaguely describes as a prefeasibility assessment. The proponent then gets its water if its environmental impact assessment is approved by the Coordinator-General. All of this can be done with virtually no public consultation and with no regard to water limits already set out in catchment water plans. There is also nothing in the bill that requires the proponent to use the water for the project for which it has been given. That presumably means that the water can be sold off to the highest bidder under the expanded trading regime proposed by the bill.

Existing landholders, downstream-flow-dependent industries such as fisheries and the environment are likely to get done over at least three times by these provisions: firstly, when the proponent gets given a volume of water not assessed through standard water planning processes; secondly, when that water gets traded in a way that makes any earlier EIS undertaken by the proponent completely meaningless; and, thirdly, when the local economy does not get the project that it was promised because there was no requirement to provide a business case to get this water but the water is still being taken out of the system in a way that was never planned and with a whole swag of unintended environmental and economic consequences.

At this point I just stress to the committee that this is not just a hypothetical; this is already happening in the Gilbert River catchment in the Gulf of Carpentaria, where the government has entered into an agreement with Integrated Food and Energy Developments, or IFED. IFED is headed by the same people who gave us Cubbie Station, which trashed downstream farmers and left $300 million in debts. The government has refused to release the terms of its deal with IFED, but we believe that it gives IFED priority access to 555,000 megalitres of water per annum. That is equivalent to pumping Sydney Harbour dry every year. That deal was struck despite expert advice from DNRM that such volumes of water were unlikely to be sustainable. It was struck despite expert advice from DNRM saying that IFED's water needs should be dealt with as part of normal holistic water catchment planning processes and not dealt with separately and it is still in place despite a $6.8 million and two-year study by CSIRO saying that that amount of land and water is just not available in that catchment.

The IFED project should be the canary in the coalmine for this committee. It is not just the environment sector that is concerned. You just need to read the transcript from the Georgetown hearing of the northern Australia inquiry, where you will hear third- and fourth-generation pastoralists as well as the commercial and recreational fishing sector in the gulf raise their concerns about the economic and environmental impacts of this proposal. And that is just one proposal. If this bill goes through, those sorts of proposals could be replicated across the state and no-one would know about it. Then consider the implications if they get implemented in the same way as this one has, where senior bureaucrats and politicians have ignored their own technical experts to give water rights to a few favoured big players.

The bottom line for us is that Queensland cannot afford another Murray-Darling Basin. We hope that the committee takes those lessons on board and sends this bill back to the drawing board and at the very least the committee recommends the removal of the water development option

provisions. If it does not, then this bill, if implemented in its current form, will be a significant backward step for Queensland's water resource regime, one that will simply end up robbing Peter to pay Paul and destroy what has been up until now a fairly well respected and rigorous water planning framework that attempted to transparently balance the water needs of all users. Thanks.

CHAIR: Thank you. Nigel?

Mr Parratt: Firstly, I am no longer the rivers project officer of the QCC. That position ceased to exist with the removal of the funding recently. So following on from Karen, I would just like to highlight some concerns that we have in regard to certain proposals in the bill. In relation to deregulating waterways, we are particularly concerned about the environmental implications that will occur from what essentially will be removing protections under both the Water Act and the Vegetation Management Act for waterways that will occur if this bill goes through. Along with the environmental consequences that are likely to occur from what could very easily be an unsustainable take of water in those upper catchments, there are going to potentially be significant impacts for downstream water users, particularly irrigators but more importantly other industries that rely solely on those waterways, such as the tourism and commercial fishing industries. So from that perspective, protections under the Vegetation Management Act will not apply. By deregulating these watercourses, particularly in the Burdekin-Wet Tropics-Whitsunday catchment, which are high-priority reef catchments under the reef plan and so forth, that will essentially mean that a clearing of vegetation in those waterways will see a lot more impacts on the Great Barrier Reef.

The other major issue that we have is converting water licences for tradeable allocations, as is proposed in the bill. What essentially will occur there is an increased level of uncertainty due to the lack of long-term hydrological modelling that is required to provide certainty that converting those existing water licences to tradeable allocations will not have an impact on the existing water users and on the environment.

The other big issue that we are concerned about is whether the proposed amendments to the Water Act comply with the National Water Initiative. From our perspective, and given that we have not been given the benefit of prior engagement or consultation regarding the bill, and also without having seen the regulations by which the amendments to the act are going to be implemented, there is a very real concern that we believe that the proposed amendments to the Water Act will not be National Water Initiative compliant, particularly given the National Water Commission's triennial assessment, which indicates strongly that river systems and aquifers along the east coast of Queensland are among the most stressed in the country. It would seem to us that the proposed amendments to the Water Act in the bill are somewhat reckless and potentially irresponsible given the potential impacts to the existing water users and environmental values.

I would also like to reiterate some of the issues and points that were raised by other speakers this morning. It is very concerning that water quality is not considered or covered by the bill. The current Water Act does have some provisions to address water-quality issues, and pre-existing measures that were in the Water Act that did address water-quality issues were removed in the last round of amendments to the act. The one in particular that I will reference is that there is no longer a need for property owners to develop and implement a land and water management plan. I might just leave it there.

CHAIR: Thank you, Nigel.

Ms Pointon: Mr Chairman, committee members, good morning and thank you for the opportunity to present before you on these important and significant changes to our water management framework. To begin I would like to remind the committee that we are here today to discuss a bill that will have far-reaching implications for the environment as well as the constituents throughout Queensland. These include the farmers of the Lockyer, with the bores that they have relied on to irrigate their crops and feed their cattle for generations, as well as the tourism and fishing operators of the Whitsundays, who are relying on clean, clear water teeming with fish to ensure their businesses survive.

For the record, we rely on our submission provided on the regulatory impact statement and the bill itself. We further rely on the earlier submissions made by my colleagues of the Wilderness Society and the Queensland Conservation Council and the important points that they have raised today.

Although the bill introduces many significant and concerning changes worthy of focus, due to the very short time allocation today I will bring only three points to the attention of the committee. Firstly, the statutory right to associated water proposed for the mining industry and continued for the

petroleum and gas industry is not fair and favours resource industries at the expense of other Queensland water users. It creates uncertainty for existing water users and poses risks to our groundwater basins and the ecologies dependent on them that are not yet well understood.

Further, this proposal flies in the face of a recent Land Court decision, which held that it was imperative that one of the largest proposed coalmines in Australia undergo assessment under the Water Act for the court to be adequately satisfied that full impacts to groundwater were understood and properly assessed. This further assessment would now no longer be required under these proposed amendments.

Secondly, the removal of the principle of ecologically sustainable development from the Water Act, along with many of the proposed changes deregulating water impacts without sufficient scientific understanding, demonstrates a reckless mentality behind these proposed amendments. In particular, the precautionary principle, which is currently enshrined in our Water Act, ensures that where there is scientific evidence that an action may cause harm the action should not be undertaken without evidence to prove otherwise. This is not excessive; this is a fundamental, logical principle that should underpin all of our decision-making processes.

Further, our Queensland and federal governments are currently making promises at an international level to UNESCO, including in our recently released Reef 2050 Long-Term Sustainability Plan, that we implement the principles of ecologically sustainable development through all of the Queensland government's planning and development framework. The Water Act is an integral part of Queensland's planning and development framework. If we allow the bill to remove the principle of ESD from our Water Act, we will be directly contradicting ourselves to the international community. We are already facing significant scrutiny due to the degraded state of our reef. These proposed amendments risk embarrassing us as a state and nation even more, let alone the environmental damage and risk to the existing water users that the changes pose.

I would now like to draw one more point to the attention of the committee. Currently, the Water Act provides for a reversal of the onus of proof so that authority holders are assumed to be responsible for water take unless they can demonstrate otherwise. This is much like what occurs in our transport management framework—that the owner of a vehicle was responsible for any offence committed while in the car because it would be impossible for the state to prove otherwise. The bill proposes to amend this so that the now severely understaffed Queensland government must gather evidence to prove that an authority holder anywhere throughout Queensland did breach their authority. On the rare occasion that the department elects to prosecute a matter and not take some other enforcement act, which is the regular occurrence, this will effectively make such prosecutions under the Water Act close to impossible. The reversal of the onus of proof in this instance was implemented with good reason and we suggest that the committee should recommend that it remain.

CHAIR: Thank you. I just have one question to you, first, Nigel. Just on your issues of licensing and allocation, from my understanding as a water user I believe that allocation is a better way, because you measure something. I have had licences where I can water 30 hectares—just water it with no restrictions on how much I could use—whereas an allocation gives you a set amount, whether that be 100 megalitres a year or whatever it is. Do you feel that that would be a better result than just open-slather licensing?

Mr Parratt: The issue we have is that, to convert the existing licences—and there are something like 9,000 that could be converted under this amendment—in the absence of sound hydrological modelling for those catchments where that allocation, which would be tradeable through the conversion from a licence to an allocation, without that basic understanding of what that means at that subcatchment level, through the trading of the water we could be—

CHAIR: There have been some extensive ROPs, resource operating plans, done across the whole of Queensland, though, and—

Ms TRAD: But we are now doing away with them through this bill.

CHAIR: Excuse me, there has been some extensive data collected. In the Lockyer, for instance, we have been collecting data for 50 years. Surely that would be beneficial. I cannot see where you are coming from. I know they have done some up in the Fitzroy. I am sure they have done some in the Burdekin.

Mr Parratt: It comes to the robustness of our understanding of those systems where this activity could actually occur. So the department in the RIS to this bill, the regulatory impact statement, acknowledged that there was a paucity of fine-grain hydrological modelling for

subcatchments. There is broad understanding of how surface water responds in broader basins, but when we come back to where trading might occur we simply do not know what that impact could be. What we are saying is that in the absence of a detailed understanding on how particularly groundwater responds and in the absence of the precautionary principle, given that ESD principles are likely to be omitted from the act, there is a high risk of impacts occurring. We simply will not know what they are until they occur.

Ms TRAD: Ms Pointon, had you finished your verbal submission?

Ms Pointon: The content, thanks.

Ms TRAD: In relation to your submission, I think at page 4, the criteria for which the chief executive will elect to deregulate impacts on a watercourse, would it be the preference of the EDO for this to be consulted on and located in the bill that provides powers for this deregulation?

Ms Pointon: That is correct.

Ms TRAD: And where would you see that occurring in the bill?

Ms Pointon: Ideally in the act and not in the regulation itself because obviously that can be changed quite easily. It needs to be a clear and precise listing of the eligibility criteria that is the basis of this deregulation.

Ms TRAD: Ms Touchie, can I ask you a question in relation to the water development option. So the bill currently has it that the minister can declare a water development option?

Ms Touchie: The chief executive.

Ms TRAD: The minister may amend a water plan so that it is consistent with a commitment for a major water infrastructure project under a water development option. So the minister can amend the water plan?

Ms Touchie: He can amend the water plan.

Ms TRAD: The chief executive officer declares—

Ms Touchie: A water development option.

Ms TRAD: And there is no compulsion for any consultation before that major water infrastructure project is gazetted?

Ms Touchie: No, none.

Ms TRAD: In relation to the IFED proposal that you talked about previously, was that the case in terms of the IFED proposal? Had there been any consultation prior to the—

Ms Touchie: Not as far as we are aware. The only reason we know about the deal with IFED is that we stumbled across it when we were reading evidence to the northern Australia inquiry, where IFED indicated that it had been given an in-principle commitment by the Queensland government for priority access to water. We then saw an unsigned copy of that development protocol which was leaked to the ABC. In that unsigned copy there was a base case scenario, which is 550,000 megalitres that is currently on the table. There was then a proposal that if studies worked out they would get 1.2 million megalitres per annum. The government refused to release the terms of the development protocol so we do not actually know what is in it. We do not know what price IFED has agreed to pay for water. We do not know whether there are any conditions attached that the water be used for the particular project for which—

CHAIR: This all precedes this bill that we are actually looking at now?

Ms Touchie: Yes, but it is very much an illustrative example of what we think the water development option will look like. In other words, it is contingent on the Coordinator-General's assessment of the EIS. When the Coordinator-General determined that IFED should be a coordinated project—

CHAIR: I think you need to come back to bill we are actually looking at, not the previous bill.

Ms TRAD: No, just wait. This is about not amending the water plan. This is about entering into an arrangement.

CHAIR: This is under the Water Act 2000.

Ms TRAD: Which is what this bill is doing.

CHAIR: This must be under the Water Act 2000 already?

Ms TRAD: It is not.

CHAIR: Because it is already there.

Ms Touchie: We are not entirely sure that it is under the Water Act already. We are not entirely sure what head of power it was entered into. But this bill would validate it if it goes through in its current form.

Ms TRAD: Ms Touchie, you referred to departmental advice.

Ms Touchie: Yes.

Ms TRAD: You referred to CSIRO advice.

Ms Touchie: Yes.

Ms TRAD: And then you referred to the 550,000 megalitres of take, potentially 1.2 million, in the draft protocol. What was the department saying? What was CSIRO saying in terms of the total quantity that could be allocated?

Ms Touchie: We did a right-to-information request on the department which only took us up to September 2013. In that RTI request we got various documents which indicated the department's significant concerns with the sustainability of, at that point, a proposed 400,000-megalitre water take—so significantly less than what is currently on the table. The department also indicated in that advice that no in-principle commitment should be given to IFED before they did a detailed water resource assessment. That assessment was never started.

Mr TROUT: It is a significant project. It is in the hands—

CHAIR: Can I just ask you to get back to the bill.

Ms TRAD: The issue is that people have raised concerns in relation to the water development option which can be granted before hydrological modelling and before any scientific assessment about the sustainability of take. This is what we are discussing. This is what seems to be occurring in this example.

CHAIR: This is what seems to be, what could be, what may be—it is all hypothetical. It is not about the IFED.

Ms TRAD: This is actually happening.

CHAIR: This is about this bill. If we want to examine the IFED bill let us look at that, but this is totally different.

Ms TRAD: There is no IFED bill. It is all secret, Ian.

CHAIR: The IFED project.

Mr COX: Mr Chairman, we would like to ask some questions.

CHAIR: I call the member for Thuringowa.

Mr COX: Can I ask one question of Ms Touchie. I cannot quite see your title. What is your title?

Ms Touchie: I am a campaigner in the Wilderness Society.

Mr COX: So you may be able to answer this, being a campaigner. The conclusion to your submission states—

Agriculture is already the largest user of water in Queensland (63% of all water use).

I presume that is all water, not necessarily available water. Do you believe there will ever be a need for more water supply in this state for agriculture, urban and/or industry use and, if so, how are we going to do it? Do you believe there is ever going to be a need for more water, other than the current water we take from storages in dams, on surface, rivers or underground? Do you believe in the future that there is ever going to be a need for more than we take now?

Ms Touchie: I think in our submission we say that there will be a projected increase in take. The issue that we have is how we determine that take—how those decisions are made—and how we make sure that we use our water resources efficiently and that we allocate water to the most prospective projects rather than giving huge amounts of water to people on a first-come-first-served basis outside statutory planning processes.

Mr COX: Thank you, and I think that is what this is bill trying to address.

Mr KNUTH: My question is to Nigel. You mentioned concerns with regard to deregulation of our waterways. The word 'deregulation' can mean a lot of things—broad or narrow. It seems sometimes that the big players seem to benefit from that. How do you see this occurring with regard to your concerns about deregulation? Who benefits? Will big players benefit as well? Will it be there for smaller farmers to utilise?

Mr Parratt: From my understanding of the bill, deregulating waterways will occur where there is a decision made that the low-intensity take of water may not have an effect on other users and/or the environment. The question relates to the criteria by which that decision is made. For example, if you have a whole bunch of existing water users in an upper catchment who are currently licensed and on the basis of a decision made by some criteria, that we have not seen yet, that waterway is deregulated then those existing users will no longer need to be licensed. So there is actual control and/or measuring or monitoring of the amount of water that is taken from those deregulated waterways.

The cumulative impacts of unregulated water take, which could lead to an unsustainable take, could have an effect on other water users within that locality. Certainly there is a high potential to have an impact on environmental values. But more importantly the security and reliability of downstream waters that are still regulated and still require licences are going to be affected by what could be an unsustainable activity in the upper catchment. It is not about who benefits, whether they be big or small; it is about how it is going to affect existing users, whether they be big or small, and the environment.

CHAIR: Thank you. Time is against us, unfortunately. Thank you for your input today.

WINDERS, Mr Max, Director, Wambo Cattle Co.

WOOD, Ms Camille, Lawyer, Ferrier And Co. Lawyers

CHAIR: Thank you for making yourself available today. I know Max has had an interest in water for many years. I have even spoken to him about flood issues.

Mr Winders: I prepared another submission to clarify what was in my original submission. I understand some copies were to be circulated. I ask that that be tabled. That answers a lot of questions. I can talk to that.

CHAIR: Would you like to table that for us, Max?

Mr Winders: I would like to table that.

Ms TRAD: We have got it so you can speak to it.

Mr Winders: As the chairman said, I have been trying to get underground water from the Surat Basin for the last 24 years. We have had a moratorium and then we got another moratorium with the petroleum and gas act which gave unlimited rights to the most widespread bit of cattle-accessible underground water in the whole area. People are going to be impacted in terms of underground rights, as was found up north with coalmines, in the Surat Basin as development proceeds.

The problem is that chapter 3 of the Water Act is not written to protect landholders at all. In fact, it does not even reflect current technology. It reflects the old 'do a bit of sum, you want to put a bore in here two kilometres from your neighbour and here is the impact'. In the Great Artesian Basin water resource plans they say there is a certain amount of allocation available but to get that allocation you have to satisfy this distance requirement. That is outlined in a big table. Really, chapter 3 of the Water Act is based on that table effectively because it talks about the impairment of a bore. As the chairman said before, you are probably not interested in the water level of your bore; you are more interested in what the actual allocation is. We should be taking about volumes.

Chapter 3 of the Water Act does not talk about volumes; it talks about impairment. It is only when you go to the section that talks about bore assessments and things like that that you realise how bad it is. That is why all the lawyers are frustrated. We cannot get past this definition of 'impairment' in the Water Act. If you want to change the Water Act to have any meaning whatsoever for underground water rights, you really have to change the definition of 'impairment'. I suggest that instead of impairment being a drop in water level it should be a reduction in an entitlement or an allocation, which is the fundamental part of chapter 2 of the Water Act and which part 8 of this bill really handles well.

I think we are making a lot of progress, but not if we have to continue to live with the current wording of impairment in chapter 3 of the Water Act and the way in which these underground water impact reports are prepared. That was the big problem with Arrow. Arrow, in their EIS, did one underground water impact report and it said, 'Look, there's huge drops in water level,' but then when the Queensland government did its underground water impact report, which has been set in stone for three years, it said 'No, it's nowhere near that.' That is what caused the confusion down in Canberra with the independent expert scientific committee. The thing is, it is the taking of water from an aquifer for which there is no recharge. The volume of water is not being replaced.

There is one alteration to item 22. I have said it is the 'Environmental Protection Legislation 2008'; it should have been the 'Environmental Protection Regulation 2008'. It says 'comply with the prioritisation hierarchy for managing and using coal seam gas water stated in the Coal Seam Gas Water Management Policy'. Now, this current government's policy is a beauty. It says you have to look at the volumes because you cannot come into a make-good agreement, and the fundamental part of all this impact assessment is making good the loss of what is your right under the new legislation, and the rights to underground water are very finite because they are only recharged at a certain rate. Really, that is the basis of what I would like to say. I would like to see some consideration given to varying chapter 3 of the Water Act to take entitlements and allocations into account.

Ms Wood: My name is Camille Wood. I am a lawyer with Ferrier & Co. Lawyers based in Roma in Queensland. Our firm acts for many landholders and community members who are affected by water but also by mineral resource exploration and development and petroleum and gas development in the area. Many of our clients live on properties, and have done for several generations before us, and also have succession plans in place for future generations of their family to take over their land. They proactively seek to develop their property sustainably, to have

accreditations for sale of their mostly beef products in a sustainable manner to markets that really prize that sort of sustainable development. The Water Reform and Other Legislation Amendment Bill will inevitably have impacts on how our clients conduct their business.

My review and submission really centred on those parts of the bill that our clients are most concerned about. Firstly, we are concerned about the removal of ecologically sustainable development from the purpose of the act. While we are very happy to see that there is going to be an overarching purpose for the whole of the act—we see that definitely as a step forward—we would like to see more of an emphasis on ecologically sustainable development to be retained and to be put into the amended act. This would live up to, in our view, community expectations and also the expectations of observers, both in our state and nationally and internationally. We would also reflect the way that our clients and grazing landholders are generally trying to steer their businesses and run their businesses. We also would like to see the retention of water recycling to be included in the definition of 'efficient use of water' under the act. We think that we will enter into a drought again, whether it be the whole of the state or in South-East Queensland, and it is very important for water recycling to remain something that is of importance to us as a state in the management of water.

In relation to large scale water projects, we would like to be able to ensure that our clients' use of water and existing uses of water are taken into account in determining whether to grant approvals for large scale water projects and declare water development options. We accept that new section 85(c) does in some way go to saying that, in deciding whether to grant a water development option, you have to take into account other commitments or future demands for the water, but we would like to see some clearer criteria that talk about specifically existing uses of water in the relevant area or region, but also giving the decision maker the ability to look at projections, so modelling for the relevant area in terms of rainfall and potential shortages of water as well as other demands.

As I mentioned, our clients are also affected by mineral and petroleum resource authority holders and their activities. In relation to the proposed changes to the Mineral Resources Act, while we accept that the Mineral Resources Act is being amended to bring it into line with the rights that are currently given to petroleum authority holders, we would like to see some additional safeguards put in place so that there is no, for want of a better word, deregulation of the taking of associated water under the Mineral Resources Act. What we would like to see in the alternative is some more attention given to management and regulation of taking under the petroleum and gas act. Our clients are significantly affected already by taking of water by petroleum authority holders. Many of our clients are affected by the make-good provisions and are in current negotiations for make good. And our concern is that at this point in time we have an opportunity to safeguard against potential damage or loss of water that could occur in the future, particularly, obviously, by using the precautionary principle. Again, that comes back to that idea of having ecologically sustainable development as an overarching principle for the act.

In relation to the changes of the petroleum and gas act, very briefly, we are very happy to see that there will be a need for petroleum and tenure holders to have a water entitlement licence before they can extract non-associated water. We are very happy with that. All we would ask in that respect is that the grant of any such water licence is consistent with responsible and sustainable management of the water, which would be consistent with the overarching principles of the Water Act.

CHAIR: You would be quite happy with the make-good provision into the mining act?

Ms Wood: Yes.

CHAIR: I think that, with your submission, has covered the issues. Any questions?

Mr KNUTH: I did not get what you were saying about ecologically sustainable development in the act. Do you want to see that more as a centre point of the act?

Ms Wood: That's correct.

Mr KNUTH: Why is that?

Ms Wood: There are quite a few subsections for, I think it is, the definition of sustainable management in the proposed purpose of the act already, but it does not clearly talk about ecologically sustainable development or clearly identify the three principles of ESD. Currently the purpose for chapter 2 in the current act does refer to ecologically sustainable development. We

would like to see that carried over. Certainly it is our view that ecologically sustainable development is an internationally accepted and recognised term for a certain set of principles that certainly in Queensland we have previously committed to take into account. Our view is that water is such a precious and valuable resource to everybody that it is important to carry that over specifically into these changes.

CHAIR: Thank you very much for appearing before the committee.

JARRETT, Ms Annie, Chief Executive Officer, Northern Prawn Fishing Industry Pty Ltd

MARRIOTT, Ms Joy, Pastoralist, North Queensland

PETERS, Mr Stewart, General Manager, Integrated Food and Energy Developments Pty Ltd

CHAIR: Thank you for participating in this hearing today. For Hansard could you say your name before you speak. Could I get you to make a brief opening statement to give us a bit of an idea of the industry and where you are coming from. We will start with you, Annie.

Ms Jarrett: Thank you, Chairman, for the opportunity to participate in this hearing this morning. My name is Annie Jarrett. I am the CEO of the NPF Industry Pty Ltd. That is the representative body for Northern Prawn Fishery rights holders. The Northern Prawn Fishery runs from Cape York to Cape Londonderry across Queensland, Northern Territory and Western Australian boundaries. The fishery is managed by the Australian Fisheries Management Authority. The fishery has a GDP of roughly $90 million and is one of several fisheries that come around the Queensland coast. I think state and Commonwealth fisheries in the Gulf of Carpentaria alone are valued at about $230 million.

CHAIR: What are your issues with the Water Act?

Ms Jarrett: Our biggest concern is that the processes that are unfolding at the moment seem to be paying scant attention to the fisheries resources and the main environment in general. The consultative processes have been fairly rapid and do not really seem to be aligned with the scientific information that is required to identify what the potential impacts of increased water allocations would be on fisheries in the north within the marine ecosystem in general. As an example, CSIRO was commissioned by DERM to do an impact study into marine modelling earlier this year. I was part of a reference group that participated in working out the scope of that work. The work was concluded by I think June. That report still has not been released, either to the reference group or to the public, and it is very difficult for us as stakeholders to properly input into these processes when we do not have the scientific information available to us or to the government at this stage, I suspect. Concerns around consultation particularly are that since February we have been asked to respond to six different processes including the IFED project, the Gulf Water Resource Plan: Statement of Proposals, this bill, this review, develop the north, and we simply do not have the scientific information that we need to provide proper input.

CHAIR: I would imagine that you would be concerned that you need flows in the streams and rivers to flush prawns out into the gulf. Is that one of your concerns?

Ms Jarrett: Absolutely. There is no such thing as wasted water in fisheries. Every drop of water that goes into those catchments feeds the marine environment. Banana prawn production particularly is highly dependent on rainfall and water flow. So the risk to our industry is considerably high. I am really concerned about the changes to the bill and, in particular, the lack of transparency and opportunity for scrutiny that seems to be going to be the end result of the water development option, where large users of water are not going to be subject to the same scrutiny. We already have an issue with the IFED project in particular. We have not been consulted on the environmental impact statement. We have had no contact with proponents of that development or government since February this year. We have no idea what is happening with marine modelling and whether the impact on our industry has been taken into account in that process. I suspect that the water development option is totally discretionary, meaning that the current process will be diluted even more.

CHAIR: I will go to Joy now. Joy, would you like to give us a brief statement about your issues, please?

Ms Marriott: Thank you for the opportunity to address the committee. My name is Joy Marriott. I am a landholder at Lakeland in Cape York Peninsula. I have issues with the deregulation of the first water around Lakeland. There are two main points to my issues (1) it undermines certainty and security and (2) it raises the potential for conflict amongst the water users in the area.

To give a brief background, I have a caravan park approved and I have a passionfruit plantation. I currently use the water from my dam for livestock and domestic purposes as well. My water licence is no longer required because on 27 September and 19 September 2013 the Water Regulation was amended to include 17 upstream limits within the Lakeland area. On the day that

the upstream limit was gazetted it became unnecessary to hold a water licence to take or interfere with water from my dam and the conditions on the licence became inoperative. The licence that I have was authorised under section 20 of the Water Act 2000 to take or interfere with overland flow water.

If I had retained my water licence, it would not have provided any additional water security to me because the surface water of an upstream limit may be taken or interfered with without a licence for any purpose by any person with access. Essentially, what has happened with the redefining of the water is that, when they declared an upstream water limit, they picked a point on the creek, on the watercourse, and above that they redefined the water. So below that point would be overland flow, and with my licence that I had I could take or interfere with the overland flow. So they defined the overland flow above the upstream limit as water run-off and no legislation applied to the water run-off. So you can essentially do whatever you like above there. With respect to the dam that I have, one of my neighbours has an easement on there—

CHAIR: Are they instream dams?

Ms Marriott: Yes, they are. The dam that I have an issue with is solely on my property. There is a little easement on it for my neighbouring property for livestock and domestic purposes. Now, with this, they can use an unlimited amount of water for whatever purpose they choose. Theoretically, they can even sell my water to one of their other neighbours, which is one of the big banana farms, if they need a lot of water. The department is saying that I can increase my storage capacity, the volume and the rate at which the water is extracted, but if I were to spend a couple of million and increase it to, say, 10,000 megalitres, I do not have any security; I do not have any control over how much water my neighbour uses.

CHAIR: Are there any other issues with the act at all?

Ms Marriott: The other issue that I have is with the potential for conflict because there is another dam on the other side of my boundary. The neighbours are banana growers and they have put in a big dam. Some of the water backs up onto my property. I have said that I am not going to sit here and wait until a neighbour decides to exercise their legal right and use an unlimited amount of water out of my dam, and that applies to whichever neighbour it is. I can go down into this other dam where the water is backed up onto my property and I can put a four-inch poly pipe in there and I can actually put it on a ridge and start letting their water go. That is how it is going to happen.

Because of the rushed consultation and the partial treatment of some of the water users in the area, I have been talking to the department and everyone knows the issues. There is already some conflict there because the dam that I am going to let the water go from, which is my neighbour's dam—previously he would not let the overland flow water go because there was a spring running into it and the department had tried to make him do it. He would not do it. The last time the department rang to try to get him to do it, he rang me and said he would shoot me before he let one drop of water go down that watercourse.

My message to our local MP or whoever is giving partial treatment to the big water users here is: if someone is going to have a crack at me, make sure they take me out with a clean head shot because it is going to be on. This is just ridiculous. I am speaking on behalf of myself; I do not represent any group, but there are other water users, let alone the Indigenous people with pastoral leases and the national park further down the river. Lakeland is right at the head of the catchment area of the Laura and Normanby area. We are at the head of the catchment. There is not enough water. The rainfall is so variable: we go from 200 millilitres a year to 2,000 millilitres a year, but you do not know which year you are going to get that rain. There is not enough water to go around. There is no science behind any of this. One of the departments said, 'Why don't we have a water allocation scheme?,' and they said, 'To do that, you need a lot of data. We do not have the data. So we are just going to deregulate it and allow people to use as much water as they like.' I am not happy with it.

CHAIR: Thanks, Joy. Could I just advise you to inform the local police that that threat was made if that threat was made to you? Please put something in writing to the local police up there. It is totally inappropriate for threats like that to be made.

Ms Marriott: No, I have already contacted the police in Cooktown about it and they said they get threats all the time; they get death threats all the time.

CHAIR: No, you put it in writing to the police. I beg you to put it in writing. That is ridiculous. If both of you would stay on the line, Stewart Peters, the General Manager of IFED, will be joining us now. Stewart, would you like to make an opening statement?

Mr Peters: My name is Stewart Peters from IFED. I just want to make a few points in support of the water development option. It creates a pathway for large scale agricultural projects that require water. It gives certainty to the development process. Those projects are very important for Northern Australia. It is an opportunity for Indigenous employment, which is sadly lacking up there. It is an opportunity for wealth and skills accumulation amongst small business. These big projects generate an enormous number of contractors, subcontractors, small business men and workers. So it is a great opportunity in a remote and disadvantaged shire that is two-thirds the size of Tasmania to create something that gives those families and children opportunities.

The water development option is something that has probably come as a consequence of IFED's early discussions with government. It reflected the realities that in the mining industry you have an act which supports mining, creates lease structures and enables miners to go and do their thing. It is also a function of something we see in areas like Gladstone where there is an airshed and that airshed becomes constrained with sulfur and other emissions from industrial and other activities. That is dealt with very smartly by a cumulative impact assessment. If you want to do a new project in Gladstone you look at the airshed. You have a certain amount of airshed to play in and if you exceed that your project will not proceed because you will not get environmental approval.

There is a sort of a combination of structures that the water development option brings together quite neatly within the water development act. A key part of that is the public environmental process. It is a scientific analysis; it is a public analysis. To date we have met with Larissa Waters, The Wilderness Society, Karen if she is still here, the landowners, people in Karumba—we have had meetings up there—and the prawn-fishing association. We have obviously worked very closely with council. We met a number of government departments and are meeting and working our way through those criteria. We are doing flora and fauna. We have finished both wet season and dry season. We are in the process of completing a dry season river ecology study. That river ecology is very important because what we bring to bear with large projects is best available technology. We bring to bear something that Australia can look at and other countries will look at with large scale agricultural projects that will flow on to the rest of the world. We use subsurface drip. We reduce the sedimentation—the sediment loss—into the rivers. We fix up problems along the river banks. We remove pests. We reduce sediment, again, outside our property boundary.

One of the things mentioned by one of the gentlemen earlier today was about the granularity of information regarding river flows and the hydrological modelling. We spent months of hydrological modelling before NRM would accept that there is water available from the systems up there. We believe the next layer of work we have underway will complete that. So we go to a very fine level of granularity and understanding hydrology. It is all part of the scientific process that the public environmental coordinated process brings to bear and is facilitated through the Coordinator-General, which brings together all the departments and all the public, who have ample opportunity to comment on the works and the information that we put forward in a structured, well-developed, well-refined, well-understood government regulatory process. I did not want to say too much more because I am really interested in the questions.

CHAIR: Where is the process up to now? How much more data do you have to obtain?

Mr Peters: We have to spend $15 million of research, development and studies before we complete our final analysis. We have to submit an environmental impact statement. That statement brings together, again, another series of meetings with a whole lot of public and government agencies. That will be sometime next year before we get through that. It is a long process. There is lots of work to do. We hope it will be by the middle of next year.

Ms TRAD: Good morning, Mr Peters. I am interested in your statement that the water development option was perhaps a result of IFED. I would be interested to know in relation to the protocol or the agreement that you have with government whether or not you would be prepared to table it for the information of the committee.

Mr Peters: No. It is not part of the Water Act. It is not part of the discussion today. That statement occurred over a year ago, so it is really history we are talking about there.

Ms TRAD: No, no. Unless your project is history, I think the protocol is very relevant. You said in your opening remarks—

CHAIR: I do not know whether that has a lot to do with the water reform bill—

Ms TRAD: Hold on, Ian. IFED is here.

Mr Peters: Just to clarify—

Ms TRAD: No, no.

Mr Peters—the development option was not referred—the development protocol was not referred to in my comments. The project was referred to in my comments in that it provides a pathway—

Ms TRAD: Mr Peters, I am happy to wait until Hansard has transcribed what you said. But I am very sure that you said that the water development option probably arose because of the work being done by IFED and the development protocol or the protocol that you had.

Mr Peters: The development protocol was irrelevant. It was not mentioned and it was certainly not—

Ms TRAD: I think the development protocol is very relevant because it is an agreement before adequate assessments—scientific assessments—have taken place. So you are saying you are not prepared to table it?

CHAIR: Could I ask you—

Ms TRAD: No, no. It is my line of questioning. Thank you, Ian.

CHAIR: It is your line of questioning and—

Ms TRAD: Yes, thank you.

CHAIR: Could I ask you to stick to the bill, thanks—to the Water Reform and Other Legislation Amendment Bill.

Mr COX: Mr Chairman, he is not—

CHAIR: Excuse me, Sam—

Ms TRAD: I am sorry, but you have been talking about your project.

Mr Peters: Sure.

Ms TRAD: So I am asking you questions about your project.

CHAIR: Can I say to you—

Mr Peters: Others have been talking about my project as well, and I have to say that some of the references from others have been incorrect as well.

Ms TRAD: So how much water are you asking for, Mr Peters?

Mr Peters: We can talk about my project. We can talk about other projects—

Ms TRAD: How much water does your project need?

Mr Peters:—but I am here today to talk about our submission—

CHAIR: To this water reform.

Mr Peters:—to the Water Act. We can talk about that.

Ms TRAD: So how much does the IFED project need in terms of a water allocation?

Mr Peters: Okay. We can talk about that because there is a very large initial advice statement which has been available to you and everyone in the public and has been discussed in public meetings. We have summarised that and gone to the community, the prawn-fishing association, the prawn growers association and government agencies. So the water we want is actually less than the water that CSIRO indicated from their two dams on the rivers of 595,000 megalitres. We want 555,000 megalitres of water to create an economic outcome which delivers a significant amount and opportunities for skills and wealth accumulation for the Indigenous, small business and other people in agricultural development in the Etheridge shire. We see enormous—

Ms TRAD: Just in terms of CSIRO, I have a reference to their report here, and they say—

In the Gilbert catchment, large in-stream dams could support 20,000 to 30,000 ha of irrigation in 85 per cent of years.

So that is not—

Mr Peters: I have to clarify that because we are not actually doing instream dams.

Mr TROUT: It is off-river storage.

Mr Peters: I would be more than happy to talk about the technology—and I have offered to meet with you already and your people and you have not even bothered to come back to me. I am more than happy to meet outside this meeting and go through the technology.

Ms TRAD: Well, here you are now, so let's have a discussion about it.

CHAIR: Order! Could I please ask the committee members to stay on the Water Reform and Other Legislation Amendment Bill. I will pass over to you, Michael.

Mr TROUT: Mr Peters, as a supporter of agriculture and particularly jobs and growth in North Queensland, could you estimate what is the percentage that you will require for storage compared to the percentage of water that does flow down the rivers from which you expect to get a flow?

Mr Peters: We are looking to take about 8.8 per cent of the river flow.

Mrs MADDERN: We are talking about the capacity for an integrated development which sets aside a certain amount of water. With these large projects, if that were not available, what kinds of constraints would that put on those large developments? Assuming that that section of this proposed bill was not there, what kind of impact might that have on future development of large projects?

Mr Peters: I think it is like a mining project without a mine. It is like building a building without owning the land. You cannot build it. It is the same sort of principle. It is a resource project and it brings together land and water. So without some certainty of the water being there, it is impossible to start.

Ms TRAD: Mr Peters, in your opening remarks you did say that NRM had accepted that there was water available for your project; is that correct?

Mr Peters: Yes, and you can see that in the fact that they have put a submission in to the initial advice statement and laid out their requirements in the final terms of reference. We have had subsequent meetings with NRM and we do meet with other departments on a regular basis.

Ms TRAD: Is this after the project was made a coordinated project?

Mr Peters: Yes. We go through a conventional—the beauty of the public coordinated process is that it creates a regulatory process where there is constant interaction with departments, trying to understand their needs and understand how we can best deliver the scientific assessments that are needed to get people to understand what the impacts will be.

Ms TRAD: I find that very curious, because the department's advice obviously before your project became a coordinated project was that your request for water take was unsustainable—

Mr Peters: Yes, I know there was some—

Ms TRAD:—and agreements should not be entered into in relation to the project without a full water assessment, scientific assessment, of the proposal.

Mr Peters: I have to tell you I am not privy to that information. I think if that is the case you obviously have information that I do not have.

Ms TRAD: It is publicly available.

Mr Peters: No, it's not.

Ms TRAD: Yes, it is. It is right to information.

Mr Peters: I would be very interested to see that because that is not the information and the feedback that we have had from the discussions that we have had, and we work very closely with Natural Resources and Mines.

Ms TRAD: I am very happy to table it for your benefit here today. That is the information received from DNRM before your project became a coordinated project. Their assessment is—

Note that the Department of Natural Resources and Mines has undertaken preliminary hydrological modelling of large-scale water extraction along the Einasleigh River and the Gilbert River catchment indicative of the IFED proposal and results raise some significant concerns regarding water availability and potential downstream impacts.

CHAIR: Do you want to table that?

Ms TRAD: I will table that. So that is what the department advised before your project became a coordinated project, and I think that happened after you met with the Premier, which this briefing note refers to. Now you are saying that the department is saying that the request for water take is sustainable and has been approved.

Mr TROUT: It is eight per cent.

Mr Peters: I have to tell you, we are in the middle of a very big environmental process. NRM is not telling us anything other than what the process is. We are working—

Ms TRAD: But you said in your opening remarks they had approved your water take.

Mr Peters: No, they can't approve it. We are in the process. We are going through a regulatory process where we have put together—we are trying to meet environmental flow criteria and objectives, and we have scientists running around all over the place trying to assess things.

Ms TRAD: I think the best way for the public—

Mr TROUT: Stop development, Jackie. Good on you.

Ms TRAD:—to know and to be put at ease is if the secret development proposal was to be made public because it is actually not just about—

Mr Peters: It is. The initial advice statement is there for everyone—it is a 100-page document which outlines the project in detail.

CHAIR: I do not think we are going—

Ms TRAD: Your development proposal is not public, sir.

CHAIR: I do not think we are going any further with this.

Ms TRAD: If your development proposal was public, then I do not think people would have as many concerns as they are raising.

Mrs MADDERN: Excuse me, member for—

Mr Peters: Isn't that the point of the changes to the Water Act?

CHAIR: Yes. Mr Peters—

Ms TRAD: This is outside the Water Act. So who approved it?

CHAIR: Mr Peters—

Ms TRAD: This is outside the Water Act!

CHAIR: Order, please! Mr Peters, thank you for spending your time with us this morning. I will move on to the next witness. Thank you very much.

Mr Peters: Thanks, committee.

Mr TROUT: Thank you, Mr Peters.

Ms TRAD: Democracy in action.

CHAIR: Thanks, Annie and Joy.

ANDERSON, Mr Peter, Central Queensland Regional President, AgForce

BREMNER, Mr Kim, Water Spokesperson, AgForce

BURNETT, Mr Ian, President, AgForce

MILLER, Dr Dale, Senior Policy Adviser, AgForce

CHAIR: I welcome representatives from AgForce: Mr Burnett, Mr Anderson, Mr Bremner and Dr Miller. Would someone like to make a brief opening statement?

Mr Burnett: I will do that. Thank you.

CHAIR: Keep it brief, please.

Mr Burnett: Yes, I will keep it very brief. Thank you, Chair and committee, for the opportunity to address the committee on the Water Reform and Other Legislation Amendment Bill 2014. I do not need to tell you about AgForce, but we are the peak representative group for beef, sheep and wool and grain producers in Queensland.

Mr TROUT: Agriculture.

Mr Burnett: Agriculture in Queensland—so the broadacre sector. AgForce Queensland supports the review of the Water Act 2000 and welcomes the streamlining and simplification of regulation around the management and allocation of water resources in Queensland. We also welcome making further water resources available for development in a responsible and sustainable way where this does not reduce the certainty, security and reliability of current entitlements of primary producers or increase the risk of adverse environmental impacts. It is important that the planning and management of access to water resources remains transparent as well as being efficient and equitable for existing and potential new users.

We also support a more consistent framework for the management of resource sector impacts on groundwater and providing greater certainty to landholders whose water resources may be affected by mining, petroleum and gas activities. We will touch briefly on a couple of issues of our members within the proposed reforms and then welcome any questions that the committee might like to discuss. So thank you, ladies and gentlemen. We have with us here Peter Anderson, who is the regional president from Central Queensland and also a landholder; Kim Bremner, who is the water spokesperson for AgForce and an irrigator from the Darling Downs; I myself am a landholder and irrigator from Central Queensland; and Dr Dale Miller, who is our senior policy adviser. So I hand over to my colleagues.

Mr Bremner: I irrigate on the Downs. We have overland flow and unsupplemented water that we use when it is around. My unusual hobby is water planning, so I have been doing that for the last 15 years through the Water Act 2000 and now we are looking at reviewing the Water Act again. On the whole I have to say I am pretty pleased with the bill and the way it has been put through. We have a couple of little concerns with our consultations with DNR. Most of those concerns have been allayed as long as the consultation is at a high enough level.

In terms of the water development options, our only concern there is that existing water holders' entitlements are protected, so that includes the reliability and the volume—so you cannot say it is the same volume of water but only getting it half the time that you were before. We have been told that there will be mitigation, but we are hoping that you would avoid those impacts before you go ahead with it rather than mitigating. One of the mitigation suggestions made to us was that if a dam were built on a river then the people who would be affected downstream might get some allocation from that storage as compensation for the flows not being as regular as they were before.

In terms of the deregulation of the watercourses, we had some initial concerns about that. We were not sure exactly how that was going to work. We have been assured that in highly developed catchments like the Condamine-Balonne there will not be any changes and that those people with licences will continue to hold them in those upper catchments. The impression we got was that it was mostly the hinterland, the Gold Coast and those sorts of areas where the smaller licences are and the possibility of further development is very limited because of the land and that sort of thing. Based on the consultation we have had so far, we are reasonably happy with that.

We are still chasing up the definition of low-risk activities. We have asked for more information about that. We are getting some numbers back, but we would like to see something in black and white such as 'a low-risk area is because of this' and not just, 'We have a feeling about it that it is a low-risk activity in that area.' So some more information on that would be good. We are getting some of that consultation now.

We notice you have increased the meaning of 'domestic purposes' from 0.25 to 0.5 of a hectare. We do not see any problems with that. The only concern is in the periurban areas. AgForce has always had a policy that where water is at risk of overuse then it should be regulated. That is just something the government will need to look at in those growth areas around the urban centres where we have periurban development. Where there was one bore for stock and domestic for a rural enterprise, there might be 10 bores put down for 10 houses put in that rural development. So that is something that needs to be watched.

We are very pleased with the change to the reverse onus of proof of the act. That was one of the sticking points of the previous act. AgForce had been reasonably happy with the act beforehand, but that was one of the major problems that we had with it. Stealing water is no different to stealing a car and should be treated exactly the same way, and we support full metering so that that can be done. We do not believe that irrigators should be treated any differently to anybody else who steals.

We were talking about projects before, and I just wanted to bring up about the new water project that is taking water from Brisbane to the Lockyer Valley and up on to the Downs. We are in the process of getting a scoping study. We will have an answer by Christmas about whether that is a possible goer or not, so I just wanted to let you know that that is a shovel-ready project because we have built half of the pipeline already. The previous government spent $2.6 billion building a pipeline they never used. We would like to use that pipeline, and it would benefit both the Lockyer irrigators and the irrigators on the Downs. The cost of the water getting up over the hill is an issue, but I think it is one we can solve with technology and some creative thinking about that. Those are all the comments that I have.

CHAIR: Does anyone else want to make any comment?

Mr Anderson: I am the AgForce CQ president and also a landholder. Fortunately or unfortunately, I have land in the Galilee Basin and I am part of the Anderson family that has very reluctantly been through the Land Court process. Unfortunately, we are still there.

In 2014 AgForce approached the government about providing greater certainty for landholders in relation to underground water impacts by the mining sector through a more consistent framework including make-good provisions. Landholders, including those off tenure, have been seeking more proactive provisions—in other words, baseline testing the bores, and I am talking about both stock and domestic in this case—assessing the water that is there and setting trigger points and trigger values through monitoring as to a proactive approach. Currently the make-good provisions are a reactive approach after the bore has gone dry. You then have to ascertain who caused the problem and who is going to fix the problem, but in the meantime there could be thousands of head of livestock requiring a drink on a daily basis, so we are just trying to get upfront and more proactive.

We support miners being subject to make-good provisions and applying these broadly, given the right to take associated water is also given broadly. The chief executive has the power to call in under the new changes—and that is good, that is for sure—but, once again, we want it to be proactive and not reactive. That is basically the bottom line. I think that will be better for everybody concerned including the resource sector, because I am sure they do not need the adverse publicity that sometimes occurs in these cases. The precautionary principle should also be applied to any low-risk exemptions—that is, from the need to do baseline access plans—and we need to be precautionary there, too.

As other presenters have said here today, existing water users, be they stock and domestic irrigators or the resource sector, have a right to that existing reliability and security. They have built their businesses on that and that cannot be taken away. We would support the removal of the existing right of the PNG sector to take uncapped volumes of non-associated water and transition into the same planning and authorisation framework that applies to other water users. As I understand it, they are looking at a five-year transition period. In our view that is a fairly long time and if that can be transitioned sooner, that would be better for all. This transition should occur promptly and with greater transparency. There is no public notification process currently included, and I think that would be beneficial to all.

While appreciating the difficulty in addressing these legacy issues, it is important that the developed solution is equitable for existing agriculture users who may also have made significant investment decisions based on their access to water. I will leave it there, Mr Chairman. I am quite happy to take questions.

CHAIR: Just on that transitional thing, governments do always struggle with retrospectivity in legislation—which this is, of course—and I am sure you have had discussions with the department over it. The stock and domestic I found quite interesting, Kim, because it is in the Constitution that you can have stock and domestic water, of course. So that is good and I am glad to have some support. Are there any other real issues that you think need to be raised, Ian?

Mr Burnett: I think we have covered it pretty well, Mr Chair, thank you.

Mr KNUTH: Peter, you were talking about seeking proactive provisions. Obviously you are in a different circumstance to many other landowners, though there are a lot of landowners who are in your position. Can you just give us an understanding of seeking proactive provisions and what it actually means?

Mr Anderson: Thanks, Shane. If I may, Mr Chairman, it will take me a couple of minutes to go through it. We are in the Galilee Basin out at Alpha. We have the proposed Alpha mine to the north of us and the proposed Kevins Corner mine—they are not mines at this stage—to the north of that again.

CHAIR: Can I just interrupt you there. The Anderson family did appear when we had one of the other bills in Rockhampton, I think it was. Did some of your family members appear there?

Mr Anderson: Yes, that is right, they did. That was my sister-in-law who appeared there. I appeared in Mackay by telephone as well.

We have Waratah's China First project to the west and north-west of us and we have Bandanna Energy's project on the southern side of our property. If these projects all ultimately proceed, our property will be surrounded on three sides by mining and the Waratah project will be over a portion of our property. They have an exploration permit over a portion of our property.

The Alpha mine is the most advanced at this stage. We participated in the EIS process, then the supplementary EIS process, and then the water side of it came out after the supplementary EIS because it was not finished at that point. We were still unsatisfied, as their earlier modelling said that anybody within a 20-kilometre perimeter of the mine would be impacted, which takes in over half of our property and some of our key bores. We then objected to the granting of the mining lease and the environmental authority in the Land Court, never thinking for a minute we would end up in court. That was just a mechanism that was available to get them to come to the table. They came to the table and negotiations commenced. They said they would pay our reasonable expenses, as in a solicitor and a hydrologist, and they were the only people we engaged. We did not engage agricultural consultants or whoever. We thought we could handle that side of it ourselves, bearing in mind we did not want to rack up a big bill and we thought we would have it all over and done with in a matter of weeks.

Negotiations unfortunately broke down and we had to proceed to the Land Court. Having spent $40,000 in the Land Court, we had to crack the solicitor off. I am sorry, Mr Chairman, I am going to get emotional about this because it has been quite a strain on our family. Mr Chairman, this has happened a couple of times before when I have been talking about it, but I will get through it. My sister-in-law took it on because we were drought declared, so my brother and I just did not have the time. She represented us in court. As you all know, the Alpha decision came down in April and basically we won, even though the mining companies say they won. But even though we won the court case, Mr Chairman, what the company had to do was not all that onerous. They had to do the Water Act provisions first and apply the precautionary principle, which I did not think would have been all that difficult. They have to deal with the Water Act at some stage, bearing in mind back then there was a bit of talk about proposed changes to the Water Act, but this process that we are going through now had not started. Then they had to do make-good agreements with the three landholders that were in court, which was what we were seeking to do in the first place, and then they could be given their environmental authority and their mining lease.

So I did not think that was all that onerous, but to date we are negotiating with the company again and they did not pay any of our original legal and hydrological fees of some $85,000. To date they have paid a third of those fees. I know the committee cannot do anything about that and that is just a matter of history, but that is where we are at the moment. We are negotiating with them again to the point where we have engaged the solicitor again, and he is working through the latest agreement that they have given us. The latest agreement is certainly a lot better than the original one. Our solicitor described the original agreement as the most poorly worded, poorly constructed and inadequate document he had seen in his legal career, so we were starting from a pretty low base originally. We now have an agreement that contains at least all of the elements that we

believe should be in an upfront, proactive make-good agreement. At least all of those elements are in the agreement now. Some are them are definitely not in the shape that they need to be, but at least they are in there. So we are making some progress, that is for sure. I think that is what you were looking for, Shane.

Mr KNUTH: Absolutely straight to the point. Thank you very much for that, Peter.

Mr Anderson: I am sorry for getting emotional, Mr Chairman.

CHAIR: That is no problem.

Mr KNUTH: Just one question too, Kim, in regard to the deregulation of the waterways. You mentioned that you got through some of those concerns, but is it just from down here or there are concerns basically in the Galilee Basin or the Kilcummin area? Are there concerns about the deregulation of the waterways there, or are they happy with it?

Mr Bremner: We have not had lot of comment back from other areas; it is only what DNR have said. There are a lot of very small licences in some of the upper catchments in the hinterland along the coast that they would like to remove because of the cost of doing them. Obviously our main concern was the protection of entitlement holders, so that was where our concerns were. It still has to be done on a catchment-by-catchment basis with full consultation with those landholders in those areas, as all water planning needs to be done.

You cannot do it from Brisbane; you have to get out there and you have to consult with the people and hear their views and make the decisions based on that. We have been doing it in the Condamine-Balonne for 15 years now and we have a pretty good relationship with the local DNR there. We have just gone through the Oakey water resource plan that has just been implemented. That took six months of my time to help both the irrigators and DNR understand each other so that they could come to a reasonable agreement, and that has been a pretty good outcome, too. We basically have a system as is where it is but with tradeable allocations, which allows farmers to move the water to where they think is best fit for them.

Ms TRAD: Thank you, Mr Anderson, for your contribution. Thank you all for your contributions. Do not worry about getting emotional. We all got a little bit emotional before, as you could tell.

I am a bit concerned as you were explaining the process that you had gone through, Mr Anderson, because as you would know there were changes to the Mineral and Energy Resources (Common Provisions) Bill which do not make those sorts of avenues like the Land Court available to landowners for particular reasons. That is gone now. I am worried about the water development option being granted by the department before full studies are undertaken, and I just wonder how you reconcile your support for the water development options with no disadvantage to existing water users given that there has not been that hydrological study undertaken before the water development option is entered into or agreed to, and then the studies occur and those studies may in fact find that existing water holders are adversely affected. So I am just wondering how you see that. I am not sure how proactive measures are going to fix that up. I am happy for anyone to answer.

Dr Miller: I can comment on that. Our understanding of the water development option is that it is a conditional approval, if you like, on the basis of what comes out of the EIS or other studies that occur through that process. From our perspective it is about understanding that from that there will not be impacts coming back and if there are they are adequately mitigated and that those environmental sustainability issues are also addressed through that process.

I think there are some concerns about the use of an EIS as a replacement for consultation around the water issues themselves. The feedback I get from members is that you are hit with potentially a 6,000-page document and the water information could be spread thinly throughout that and the onus is on the individual to try to piece that all together versus a very targeted process, which would look at those specific water issues as a separate category and then address specifically the impacts on other users in that catchment and the environmental elements, too. So I think we would probably prefer to see a separate consultation process that looks specifically at those water impacts and through that then try to avoid that primarily but then, secondly, mitigate any impacts that would occur through that.

Ms TRAD: So would you see consultation occurring before the water development option is granted?

Dr Miller: With the water development option, again, my understanding is that it is not granted until it goes through the whole process and it is demonstrated that that is an appropriate allocation of water within that context. I think the process can commence but it is making sure that there is adequate scrutiny through that process that, when that final decision is made, those considerations occur.

Ms TRAD: But it is almost like a government guarantee. It is almost like the government has amended the statutory water plan in order to enable a large scale take for a major water proposal.

CHAIR: But then that water is—

Ms TRAD: Hold on, I am not asking you; I am asking someone else.

CHAIR: But you are asking him that to support your interpretation.

Ms TRAD: The chief executive officer declares a water development option. The minister amends the water plan through legislation. So it is almost like a guarantee before there is any scientific rigour or assessment taking place, which to me sounds like you are giving the guarantee before there is anything to anchor the decision that is going to give existing water users any sort of consolation, or any sort of guarantee that their take is going to be protected. That is the concern that people have raised and I can understand that concern. It seems to be the other way around.

Dr Miller: Again, all I can add is that it has been explained to us that that is only a conditional approval, if you like, and the condition is that it goes through that process of assessment and, at the end of that process, if it all stacks up then that water is provided. So I cannot really add more than that understanding.

CHAIR: Thank you very much, gentlemen. As you probably know, Kim, I have been fairly involved with the recycled water project probably 10 years before I was involved in parliament here. So I see Mr Clapham sitting behind you there. So I hope that the recycled water project gets up.

Mr Bremner: Thank you.

Mr Anderson: Thank you for the opportunity.

CHALK, Ms Ruth, NRM Project Manager, Queensland Dairyfarmers Organisation

CLAPHAM, Mr Graham, Clapham Farming Co. Pty Ltd; President, Central Downs Irrigators Ltd, representing Cotton Australia

GALLIGAN, Mr Dan, Chief Executive Officer, Queensland Farmers Federation

MALES, Mr Warren, Head—Economics, Canegrowers

PEAKE, Mr Adrian, Executive Officer, Queensland Dairyfarmers Organisation

CHAIR: Dan, would you like to make a brief opening statement? Unfortunately, we are running a bit behind time.

Mr Galligan: Thank you. I will try to do the best I can to catch up on some time. It has been quite handy for us to listen to AgForce. We can basically add to what they have said and amend if we need to. There is not much amendment to be made. I would firstly point out that we support pretty much the information that they have provided.

We have provided a 13-page submission. I do not envisage that it is necessary for me to go through that line by line. I am happy to take questions as we go. Our summary is very similar to AgForce's in that we support the context of the bill. We have worked very hard with Natural Resources and Mines over the last three weeks or so. Ian has been travelling the state with some of their staff to work on consultation. It is unfortunate that we cannot give you direct feedback about how that is going, but I am sure that NRM staff can and we would be happy to provide any supplementary feedback on the basis of the travelling that Ian has done directly with irrigators. Those consultations will continue even past this committee hearing to try to pick up issues.

The summary of the issues that I will give that are really detailed in our submission is that we are looking for the reforms to build on efficiencies for the management of water infrastructure in the state. We are looking to those efficiencies to deliver direct reduction in costs in water planning and management and to increase the opportunity for trade, which is very poorly undertaken in terms of licences in Queensland. We are looking for those opportunities for trade to be expanded so that we can build on the value of the asset that is withheld for an irrigator in water licences.

A bit like AgForce, obviously, we do not want to disadvantage existing water entitlement holders. We want to improve the value of their assets. So the limitations are in mostly what I would call management of the implementation issues in the bill that, again, we have gone into some detail—and I am pretty happy with the detail in our submission—that are largely about implementation and transition where those reforms are undertaken. We support going to a single-step planning process, but we want to ensure that any other reforms associated with risk to managing increases in take for water allocations in catchments are done in consultation with the people in those catchments and existing licence holders.

I turn now to the representatives I have with me. I am going to start with Graham, because he has travelled some distance to be here and he will make some specific comments and then Ruth probably from QDO and then Warren from Canegrowers. We will try to be brief and provide as much an opportunity for questions as we can. Thank you.

CHAIR: Nice and hot out on the plains out there today.

Mr Clapham: Yes, very hot, Mr Chairman. Thanks for the opportunity. I have to tell you upfront that some of the concerns that we did have when we first saw the draft of the legislation have been allayed with our meeting with the departmental staff. It has been quite fruitful. I will confine my remarks to two key areas.

Whilst we support the reduction of red tape and unnecessary regulation, we have to acknowledge that regulation to a large degree underpins the value that is in water entitlements in areas such as ours where the water resource is heavily overallocated, particularly groundwater. For 15 years now in the surface water system, and even longer in the groundwater system, on the Darling Downs we have been in the water planning process that underpins the value that irrigators have in their entitlements. The current generation of irrigators I think understands remarkably well the need for sustainability. It is that sustainability that has been at the heart of the current regulatory process and we would not like to see any of the gains lost that we have made in the last 15 and 20 years in bringing some sustainability to our access.

Groundwater irrigators have voluntarily surrendered 50 per cent of their access in our region. I think it has been quite a responsible attitude. We have adopted the attitude that we are always better off with a percentage of something rather than 100 per cent of nothing. That is where the groundwater system was headed, unfortunately, without regulation. So whilst we support the freeing up that this bill brings, we see the need to keep an eye on the ball in the areas where water is either fully allocated or overallocated.

There are two areas of concern. One is the removal of the requirement for licences in the upper catchments. Whilst that may be low risk, we need to have a mechanism to keep an eye on the accumulated impact of that. It might be okay now. How are we going to know in five years time or 10 years time what the accumulated impact of that is if there is no mechanism there? Similarly, in relation to the increase in the stock and domestic right to include half a hectare of garden in the ability to barter or trade the produce, a number of half-hectares of hydroponics could add up to a lot of water. Again, it might be innocent enough in some regions where the water is available, but in constrained regions we need a mechanism to keep an eye on the accumulated development.

The other area of concern to irrigators in our region and to Cotton Australia in particular is that recently, you may be aware, the government took the steps of removing themselves from the metering space in this state. They have handed the ownership of meters and the responsibility to maintain and read the meters back to the irrigator. Irrigators have no problem with that. However, we feel a little uneasy that there are no meter readers in Queensland. We think that compliance should be an area of major focus under these changes.

Whilst irrigators are no different from the rest of the community—we like to think they are honest people—things happen and circumstances happen and we are talking about a very valuable product here. In our part of the world we have recently obtained the right to permanently trade groundwater entitlements. A megalitre of groundwater entitlement is trading at about $4,000. So I would suggest that the person who buys megalitres of water at $4,000 is much more interested in knowing that the system has no unauthorised take than he is in saving $160 in reading the meter each year. So if the government does not want to be in the space of reading meters and maintaining meters, I think it has an obligation to ensure the compliance program is right up there.

CHAIR: I tell you what, you want good auditing.

Mr Clapham: Yes, absolutely.

CHAIR: Independent undoubtedly as well.

Mr Clapham: That is the one option that the irrigators have put forward—that they might resource an independent person to provide some oversight. I will leave it at that and be happy to take questions.

CHAIR: Right. Ruth?

Ms Chalk: We are generally supportive of the same comments that Dan has made in QFF's submission and in support of the intent that the Water Act is trying to achieve. We are a bit concerned about the implementation of the Water Act over time and the potential to leave the farm sector vulnerable to a different interpretation of some of the areas of the act.

With regard to the planning process, I think we are a bit worried about the potential unintended consequences from removing some of the components of the legislative planning framework. A bit like Graham, we have spoken with the department and they have been able to alleviate some of those concerns, but that is still an issue. One of the things particularly with that is community consultation, or industry consultation—the removal for consultation before draft water plans have been released. I understand that it is just a removal of some of the words 'must consult' and things like that, but the community and the industry would like early indications of whether there are issues within water planning areas so we can address those and also have the opportunity to relay any concerns that we have.

The other thing is that we welcome the extension of the life of the planning process because, as others have said today, that will remove unnecessary planning costs and hopefully streamline that process better, which we welcome.

With regard to low-risk activities, we welcome the inclusion of the provision to take water for certain low-risk activities including hygiene, biosecurity and food safety without an entitlement. Obviously there are a lot of issues that have to be worked through in catchment planning instruments. We just want to be assured that consultation with impacted industries occurs and there is a certain level of consistency across the state for that. We do not want a situation where a farm sits across two different catchments and they are on different rules for part of their farm compared

to the other. In that regard, we have talked to the department a number of times about a simple and low-cost option for that. What I am talking about is the use of water for biosecurity and animal health and welfare issues. We have outlined in our submission the inclusion of a stock and domestic definition to include a component (c), and that is outlined in the submission. We just think it is a simple and low-cost opportunity to address the issue and legalise the take that is already happening.

With regard to the watercourse definition in the deregulation of upper-stream catchments, there are a lot of areas to work through with that. We just want to make sure that there is adequate time for water users to go through the watercourse identification map. We are also concerned about where volumetric limits are actually in place in some of those deregulated catchments in terms of how that will be enforced and monitored, just like Graham said, and for the water users in there to be able to be engaged to say whether deregulating that stream is going to have any impact on their business viability or if they have the opportunity to keep their water licence, and we would like those options discussed.

Lastly, in terms of the conversion of water licences to allocations, I understand and agree that there are a lot of benefits with water trading but there may be a lot of cases where converting water licences to allocations may not provide those benefits. In some cases, in unsupplemented upstream catchments the opportunities for trading are going to be limited and we feel that those potential economic benefits outlined in the RIS may not be there. Again, we want to have the opportunity to engage so that water users have adequate time and adequate resources to actually analyse the impact of this on their business. Just on that last note in terms of that conversion of water licences, we are talking about fast-tracking the conversions of these. We just want to ensure that there is adequate time to work through the modelling or the conversion rate, because in the past we have found that some of the crop water use modelling data used has not been adequate. We just want the situation to reflect the security and the water access that the farmers currently have. I am happy to take questions.

CHAIR: Do you want to add anything to that, Adrian?

Mr Peake: No, I am alright.

CHAIR: Just on that, of course quite a lot of dairy farmers are in more periurban type areas where there is that upstream water take and that could affect us a bit more than probably farmers like Graham and such. I think that is quite interesting also because of the fact that licensing and allocation is a complex issue if someone has had a licence since 1939 or something like that on a property because the allocation is probably going to restrict some of the water use so it is a more realistic sort of amount. So that will be interesting. In state-of-the-art watering terms, everyone tells us what we should be doing with centre pivots, low volumes and all of that sort of thing, but quite often it is a million bucks before you even start. So it is interesting. Warren, would you like to say something?

Mr Males: Mr Chairman, I will keep my remarks quite short. Thanks for the opportunity to make a few remarks this morning. I say at the outset that I support the remarks that Dan has made and certainly that Ruth and Graham have also made. Water management is of course a major issue for the sugarcane industry. This is particularly the case on the Tablelands, the Burdekin-Proserpine-Mackay areas and Bundaberg-Isis-Maryborough areas where irrigation water is the major input for our crop. You are probably aware that in other spaces we are having discussions with the government about the cost of electricity on applying that water. That is separate to this committee's deliberations, but I just want to make you aware that that is a very significant issue for our industry and for irrigators across the state. We welcome the modernisation and the attempts to modernise the regulatory frameworks surrounding the use of water resources and streamlining the information flows and improvement of business processes within the department that go along with this bill and its implementation. I think it is really pleasing that the government is moving from a reactive, regulatory process to a proactive engagement with industry to facilitate business development across the state. I think that is really helpful.

Dan and others have mentioned a number of concerns. From Canegrowers' perspective, the key one that keeps coming to my attention out of the proposed changes is the issues around the possible surrender of water entitlements under certain circumstances as envisaged in the legislation and the potential financial impact that those surrenders may have on other entitlement holders in the scheme. We are aware that, while the bill provides for the government to meet the associated costs of surrender, many of those costs are ongoing. The concern that our members are raising is that with the passage of time the financial pressure from surrenders is likely to mount, both on the schemes and perhaps from time to time on the state government's budget. With those pressures,

there is concern that any additional annual charges arising from surrender could end up in the fullness of time being borne by the remaining irrigators, and of course that concern flows into the ongoing viability of the scheme through time. I think I will just leave it at that, Mr Chairman.

Ms TRAD: Mr Galligan, in relation to your submission where you talk about perhaps omitting water development options to strategic water reserves defined in the water resource plans, do you want to elaborate on that a little bit further?

Mr Galligan: Sure. As the submission says, I think one way of managing the risk of the use of the water development option allocating water or pre-empting the allocation of water is to first at least look at the unallocated reserve that exists in the water resource plans to start with, and that provides a framework for the potential for the allocation of water. We additionally say that we understand that the mechanism for the water development option is to at least start the process to assess whether or not water is available, but looking at the reserve in the first instance gives you a measure of mitigating the growth in that take or the growth in that potential entitlement.

I think Dale Miller from AgForce answered the question pretty well in that there was obviously a challenge in providing an opportunity for almost a preallocation versus the fact that it is quite reasonable that we actually need to instigate a process to determine whether or not there is water available before that development opportunity could exist. We are clearly looking at this as an opportunity for agricultural development, and that is what we will provide feedback on, and we want to find ways of using water for agricultural development. So as much as a development option provides that trigger to start that process, at the moment nobody will invest in the science associated with determining what water is available yet unless they have some sort of window of opportunity through that that has never existed while it has previously existed for resources development. I think we have received lots of feedback about whether or not that is more about resources development or agricultural development. All I will say to that is that we are looking at it as an agricultural opportunity. We have added in there, as you pointed out, that the first place should be to look at unallocated reserves as at least already the foundation for what might be available.

Ms TRAD: Thanks. Have you put that to government in your regular consultation?

Mr Galligan: Yes, we have—and the submission points to that as well—but we will repeat that. So it is fairly complex, but I guess we would say that we support the implementation of a development option. We need to be cautious about how far that extends to a guarantee of water entitlement because of our first principle of protecting those who already have entitlements and look at where there are unallocated reserves in the planning process already as an indicator of what might be available in the future.

Ms TRAD: Thanks.

Mr COX: I am not sure who this question regarding SunWater should be directed to, but I know it affects cane growers. SunWater's submission mentions an operations manual, costs of preparation and consultation and the involvement of the QCA. They mention that they understand the benefits from proposed operational manuals, but with regard to costs they queried that they will need evidence that the costs incurred by SunWater in preparing and amending operation manuals are both prudent and efficient. They said that SunWater believes more detail is needed with regard to these requirements. The QCA is determining costs with SunWater being a provider. Do you believe that there is enough consultation already—again, this question is addressed to anyone here—from SunWater with regard to irrigators and you having input into what costs should be incurred to be fed back through the QCA?

Mr Males: This is the first that I have heard of the contents of that submission. We are concerned that any costs that are faced by irrigators are prudent and efficient. It is quite clear that the costs of irrigation are rising rapidly both as a result of the previous price path that the QCA determined and as a result of the QCA's determination on electricity prices, so we are getting the cost and price of water exacerbated by the cost and price of electricity. The principal drivers of those are government regulations. The principal drivers are government regulations imposing costs back on the system. We would be very concerned if the requirement for changes to the licences and the updating of the licences caused SunWater to incur significant additional costs than those that it would incur in the normal part of its business and in the normal updating of its strategic and operational plans and indeed very concerned if those costs were passed back to the irrigators, which should be incurred in the normal course of business back through the irrigators through the QCA price-setting process.

Mr COX: Thanks very much, Warren.

CHAIR: Just in support of that, SunWater does send bills out to most irrigators and I would imagine most of them are on email now, so some of that consultation surely should be modernised. As much as community hall meetings are lovely, quite often you do not actually get a lot of information out of them.

Mr Males: But part of that consultation process should be part of the normal process of business, and if it is not why isn't it? And why is it suddenly going to become a very cost-intensive activity for SunWater?

Mr COX: That is the point that I did ask them, because they wanted examples of what a small consultation might be or what a large one should be and I said that surely through normal operations that should be being done.

CHAIR: Thank you very much for that input, ladies and gentlemen. It is most appreciated.

REA, Ms Joanne, Chair, Property Rights Australia

SHANNON, Mr Peter, Committee Member, Basin Sustainability Alliance

CHAIR: Joanne and Peter, thank you very much for coming. Peter, you have appeared before us in Toowoomba, if I remember rightly?

Mr Shannon: I have.

CHAIR: Would you like to make a brief opening statement, Peter?

Mr Shannon: I would, thank you. I am here representing BSA, which is an organisation representing landholders with specific focus on sustainability of water resources. I am also a practising lawyer and have practised in landholder resource law for the past five years, pretty well solid. I was particularly interested in AgForce's presentation and I have some sympathy for the peak landholder groups in appearing here because of all the different drivers. Invariably, from a landholder perspective, it is all about perspective. You can understand why irrigators or large scale potential agricultural water users might be very happy with the bill, and you can also understand why those who are directly impacted, such as Peter Anderson, would have concerns about make-good aspects of the legislation. That is what I would like to focus on today.

At the end of the day, it is the government's prerogative to change the process as it is through the common provisions, removing largely the right to object to mining leases on these sorts of grounds, but the bill will take that a step further and effectively remove the objection to conditioning about taking of water. It will also remove the right of a landholder to object to the grant of a water licence to the company. That is fair enough. My concern, from a legislative standards point of view, which at the end of the day is what the committee is all about, is that that does two things. Firstly, it removes the right of natural justice for the landholder to be heard in that process. It also affects the compulsory resumption, in effect, of the water entitlement of those people who are going to be impacted who have the right to make good. The justification, which does not seem to have been recognised in the Parliamentary Counsel's report to the committee, is presumably that the make-good regime will be the compensation process. What I would like to do is emphasise to you that that is not justification without an examination of whether the make-good process works, and it does not. It has major flaws and major problems.

I urge the committee, especially those representing landholders in their electorates, to undertake an inquiry as to how good make-good is going to be, because that is really all the landholder has left. Large irrigators and people on strategic cropping land et cetera have a degree of reassurance. Maybe the eye has gone off the ball a little bit here, but people such as Peter Anderson have been through the process and understand—and there will be many landholders in that and, potentially, every landholder.

I seek to table three documents. I have marked them incorrectly because of emphasis. I have a folder for each. The first document is a summary, as I would see it, of the make-good flaws. I would urge you to read that and follow up on it, because I am working in the area. Lawyers working in this area for landholders are an important source and tool for your committee to understand the make-good process, because there is incredible emphasis on it now. It is all the landholder has. The second document is basic requirements to make make-good better. If we are seriously going to make make-good the whole emphasis then let us make it work. I worked through those things that need to be done, in my view, as follows: firstly, reverse the onus of proof in the assessment of impairment and the reason for impairment. I seek to table the documents.

Ms TRAD: I will move to table them.

Mr Shannon: You would think that a lawyer might have picked that up. The first thing is to reverse the onus. At the moment, the company is the judge. The company does the bore assessment to determine whether or not CSG activity has impacted relevantly on the bore. It is the one that determines that. If a landholder disagrees with that, he then has to go and basically challenge it in court. He does not have, at the moment under the legislation, access to a hydrogeologist, and Mr Anderson's comment on that is perfectly on point. There is no obligation here, either, on the companies to act reasonably. Mr Anderson told you about that. They can put the most ridiculous processes forward. They can drag out the process as much they like. They can be as unreasonable as they like, because all the landholder has is the right to take them to court. There are no tips for landholders in negotiating these things, even. There is no protection for a landholder being taken advantage of. Uncertainty in the law is used against them. The legislation needs to secure, in this make-good process, good conduct by the companies. You cannot just throw landholders to the wolves. You give them a lawyer, if they choose to do it. If in the middle of a drought you offer a landholder $50,000 and he has a bank payment due at the end of the month,

and you say to him, 'We will give you $50,000 if you sign that make-good agreement by the end of the month,' he will not care what the fine print is. He will sign whatever there is, if he is unrepresented and if he does not know and is not a repeat player in the process.

I have to say, I am astounded that the Deputy Premier in Toowoomba recently said that he thought it was insulting to landholders to suggest that they could not hold their own with gas companies. That is every bit Joe's comment about poor people not having cars. I just do not believe that he could say that and think that these companies, which are commercial animals—and you cannot blame the companies; they have duties to their shareholders. They are commercially obliged. They do not like unquantified liability sitting on their balance sheets. They want to cap these kinds of problems. They do not want obligation to make good going on indefinitely, so they use incredible tactics to make sure that all they do is write out a cheque and plug and abandon a bore if they can, or it is one cheque and never again. The Deputy Premier in Toowoomba is apparently under the impression that these mining companies will have the obligation through the make-good process to provide water ongoing, indefinitely. He has no idea of what is happening on the ground, because that is not what will happen. The tactics of the companies are to turn this into a quantifiable definite amount of money so it does not sit on the balance sheet as an unquantified exposure to liability and improves their share price.

It behoves this committee, in my view, to make sure that if that is going to be the justification for all that you are removing from landholders in this process you make sure it works. I beg you to read the document there about the make-good flaws and to seriously consider the amendments that I propose. Also, fundamentally, section 276 of the Mineral Resources Act at the moment makes it, in effect, a breach of your mining lease if you do not comply with the compensation agreement. It has to be amended so that is a breach of your mining lease if you do not comply with the make-good agreement. Thank you.

CHAIR: Joanne, would you like to make an opening statement?

Ms Rea: Thank you very much, Chair. Probably what I have to say after that address is a bit thin on the ground and will not be as detailed, but I also wanted to cover the same topic. Property Rights Australia has had long-term reservations about how make-good would work at all levels to the continued efficiency of property owners. The bill does not address all of those concerns. Almost no mention is made of how problems will be resolved. Time frames are too long, particularly in the event of a cataclysmic event. The practical reality is that resources companies do not construct make-good bores in a timely manner and try to get landowners to accept money instead. Our belief is that this then becomes new infrastructure and is no longer covered by make-good provisions, because it is treated differently under the act. I stand to be corrected on that if I am wrong.

CHAIR: No, you are right.

Ms Rea: Landowners bear the onus of proof that resources companies are responsible for loss of quality or quantity of water in the event of a serious dispute. Reasonable access to proof has been curtailed, if anything, by this bill. The water monitoring authority, rather than being the government or an independent authority, is to be the resources company. Involvement of the government seems limited and, I must say, it seems unwilling. Even if this was a contest between two players of equal size and financial strength, which it is not, this legislation has one party on an uneven footing already, with the resources company the holder of the hydrogeological and water monitoring information, with severe penalties for anyone who may interfere with a monitoring bore, which remains the property of the resources companies and may be plugged by such company at any time without reference to anyone.

It is also one of the basic tenets of science and agriculture that you cannot monitor anything without measuring it, so the bill making it clear that monitoring bores do not need to have a baseline assessment is, quite clearly, not suitable for the purpose. One of the main determinants of whether or not a bore has been affected is based on the underground water impact assessment report, which sets out the obligations to monitor and manage impacts on bores and springs. The fact that small low-impact or no-impact mines or resources companies in unregulated areas are not required to complete an underground water impact assessment report or a baseline assessment, in spite of having make-good obligations, leaves a gaping hole with no clear path on how such obligations are to be realised.

No provision has been made for court costs or independent expert advice for landholders in the event of a serious dispute. The decision of the Land Court is final and binding on both parties and their successors. If this is to be the case then there should be no restriction on what the Land Court can consider and compensation should consider the involuntary nature of the loss and be set accordingly. Section 436(2) outlines what the court may give compensation for.

This legislation and remedies offered are unequal to the task of dealing with cataclysmic water loss and it is also possible to envisage a situation where a property owner has several bores that become unfit for purpose over a period of, say, 10 to 20 years and owners are given monetary compensation from time to time. When this property becomes unviable, presumably it should be bought in its entirety. There is no provision for such an event in this legislation. However, there is allowance in the legislation for account to be taken of what a company has spent on make-good, whether the attempts were successful or not. Presumably, this would be a deduction. This is not indemnifying landowners against losses caused by resource companies, which is presumably the aim of make-good. It is, in fact, an externalisation of costs from one sector to another.

If it is to regain some integrity, this legislation needs to be robust in its writing. Compensation at all levels should be generous and easily accessible, which it is not. I think I will leave it there. I am happy to take any questions.

Mr TROUT: My question is to you, Mr Peter Shannon. Your opening comment was that you are supporting AgForce and the rest. I must have misheard: I hear from AgForce, QFF, Canegrowers, cotton growers, dairy farmers, grain growers and also the Queensland Resources Council that they are all generally supportive of the bill. You took one instance of one gentleman who was explaining an issue he had, but the general consensus to me is that they are all agreeable.

Mr Shannon: No, you misheard me entirely. What I said was I had sympathy for the position of the peak bodies, because I can see how irrigators would be happy, but, on the other hand, people who have been through the process of make-good, such as Mr Anderson, would have sympathy for the problems that I was about to talk about. That is what I said.

Mr COX: I have two quick questions. I am not sure, but I think it was in the last little bit where you were referring to a landholder only having the ability to go to a court and I cannot remember exactly what you said in regard to compensation. In a recent bill we did, we added to that so the way that a company carries on or the way they deal with the landholder can also be raised. That is a point—

Mr Shannon: No. That has been put across as being an amendment to the bill that now you can deal with the conduct of the company. It does not quite achieve that. It is more directed to the conduct in the lead-up to the court case, you might say. These are commercial negotiations. With the structure at the moment, because there is no requirement on the company to do anything other than negotiate, it is perfectly understandable and the courts have repeatedly said even in good-faith negotiations you can negotiate hard; there is no requirement here; there is no obligation to disclose information or to be generous, not niggardly, as is the requirement of compensation. The companies can go as hard-edged as they like with the blessing of the law, because of the structure of the bill as it is.

We need a code of conduct and we need a requirement on the companies, because this is compensatory. You are throwing people to commercial negotiation when, really, it is all about compensation. They are getting nothing out of it. All they are trying to do is hold on to not losing anything. To the company, with every dollar it saves it is ahead. My point is that the conduct there is such that they would have had to be downright fraudulent for the court to really take great notice of that. It might sound in costs if they have been unreasonable, but there is nothing in the act that requires them to negotiate in a generous manner.

Ms TRAD: Ms Rea and Mr Shannon, thank you very much. In relation to the water monitoring authority, currently it is the mining tenement. Would you prefer to see that elsewhere? Would you prefer to see the department take over that responsibility in terms of monitoring?

Ms Rea: If the water monitoring authority is to be the mining tenement, it needs to be well and truly supervised. There is no indication at all that there is anything but intermittent requirements to report. I actually think there does need to be somebody independent looking over their shoulder all the time to ensure that what they are doing is being correct and accurate and taking landholder considerations into account.

Ms TRAD: Would you see those measurement reports being made public and subject to public—

Ms Rea: Absolutely.

Ms TRAD: Mr Shannon, in terms of the water development options, do you have any view in relation to this broad provision being inserted into the act?

Mr Shannon: I think the tenor coming through—and the BSA expressed concern in relation to that—even from AgForce was that they could see advantage in that for large scale agricultural development, but, still, they do want to hang on to this idea of sustainability, which we all do,

frankly. Yes, I could see the potential for that to totally undermine landholders. If overemphasis is placed upon an automatic right to take a certain amount, you might have a lot of landholders lining up for make-good. To me it should be part of an overall, holistic, broader planning process such as applied.

I want to emphasise, though—and I am concerned by the perception that this is a challenge, you might say, or that I am criticising the legislation. I am criticising the legislative standard aspect of it here, in particular, focusing on if you are going to say that make-good is the redress and the justification for this legislation, then it has to work. You are bringing mining into an existing fold. All I am doing is saying that that fold does not work and there has been no analysis of that by the committee, yet that is the whole justification for removing the right to object to the water licences for the mining companies, in effect the conditioning.

Ms TRAD: Thank you.

CHAIR: Thank you very much for your submissions today. Of course, you were last and, like you say, there were some hard acts to follow. Thank you for waiting.

Committee adjourned at 12.48 pm