

**SUBMISSION TO THE AGRICULTURE RESOURCES AND
ENVIRONMENT COMMITTEE OF THE QUEENSLAND
PARLIAMENT**

WATER REFORM AND OTHER LEGISLATION AMENDMENT BILL 2014

OCTOBER 9, 2014

Thank you for the opportunity to make this submission on the *Water Reform and Other Legislation Amendment Bill 2014* (WROLA Bill).

Queensland Farmers' Federation (QFF) is the peak body representing and uniting 15 of Queensland's rural industry organisations who work on behalf of primary producers across the state. The QFF mission is to secure a sustainable future for Queensland primary producers within a favourable social, economic and political environment by representing the common interests of its member organisations. QFF's core business centres on resource security, water resources, environment and natural resources, industry development, economics, quarantine and trade.

Our goal is to secure a sustainable and profitable future for our members, as a core growth sector of the economy. Our members include:

- CANEGROWERS,
- Cotton Australia,
- Growcom,
- Nursery and Garden Industry Queensland,
- Queensland Aquaculture Industries Federation,
- Queensland Chicken Growers Association,
- Queensland Dairyfarmers' Organisation,
- Queensland Chicken Meat Council,
- Queensland United Egg Producers,
- Flower Association of Queensland Inc.,
- Pork Queensland Inc.,
- Australian Organic
- Pioneer Valley Water Co-operative Limited,
- Central Downs Irrigators Limited, and
- Burdekin River Irrigators Area Committee

The 'Consultation Regulatory Impact Statement – Strategic Review of the Water Act 2000' released mid-year broadly outlined proposed changes to the *Water Act 2000* to modernise the regulatory framework, streamline information and communication, and streamline and improve business processes for the Department of Natural Resources and Mines. QFF's submission supported the objectives of the reforms outlined in the Regulatory Impact Statement. It was noted that QFF had always advocated an approach to the implementation of water reforms that addresses a balance of economic, environmental and social outcomes. Our organisation has also been mindful of the need to simplify and streamline the water planning process now that substantial progress has been made implementing the first generation water resource plans. It was noted however that care had to be taken to ensure that any changes to *Water Act 2000* to implement best practice principles to reduce regulatory burden did not reduce the transparency, certainty and accountability of the existing statutory framework in this legislation. In particular, the specification of the water planning and management framework must be retained in the legislation to allow effective implementation via regulation. QFF has been particularly concerned to ensure that changes to the *Water Act 2000* do not undermine the progress made in water planning state wide and to provide for environmental flows and the security of water entitlements.

This submission addresses the following proposals in the WROLA Bill:

1. Water planning framework particularly Chapter 2, Part 2
2. Authorisation of the take of or interference with water particularly Chapter 2, Part 3 including:
 - a. Water licences and water allocations, resource operations licences and distribution operations licences and operations manuals.
 - b. Deregulation of watercourses and the accelerated conversion of water licences.
3. Managing the take of groundwater for mining and petroleum and gas projects in Chapter 3.
4. Other proposed changes.

1. Water planning framework

The WROLA Bill proposes significant changes which are as follows:

a. Purpose of the Act

'Purpose statements' for each chapter of the existing Act are removed and replaced with one overall Purpose Statement covering the following matters:

- i. Responsible and productive management of water resources and quarry material for balanced outcomes.
- ii. Sustainable and secure water supply and demand management for SEQ and other designated regions.
- iii. Management of the impacts on groundwater by the resource sector.
- iv. Effective operations of water authorities.

The term 'responsible and productive management of water resources' (item (i) above) is defined in Section 2 (2) and outlines the objectives that water plans must address. This definition replaces the definition of 'sustainable management' and the 'principles of ecologically sustainable development' included in the Purpose Statement for the current Chapter 2.

QFF has reviewed this definition and considers that it adequately covers the key issues which water planning must address. It is noted that the promotion of the efficient use of water refers specifically to efficient use of water through markets, initial allocation of water or the regulation of water if there is a risk of land or water degradation. This is more appropriate than the broader definition in the current Act.

b. Adjustment to the Water Planning Framework

The proposed changes aim to provide more flexibility to address issues such as the need to undertake a full review of second generation water plans and to replace resource operations plans with other more flexible measures to implement water plans. Processes for consultation during the initiation of the planning process have also been simplified. Comments are provided on the following proposed changes:

- i. A water plan is to advance 'the responsible and productive management of water resources' as outlined under a. above. The required contents of a plan (section 43) are broadly defined and focus on balanced outcomes with specific mention of reserves of unallocated water. There are fifteen non mandatory items listed. The section outlining matters the Minister must consider when preparing a draft plan has been significantly shortened (section 45, compared to current Section 47)

These proposed changes should maintain an effective planning and management framework.

- ii. A minimum process for public consultation removes the requirements for the preparation of a statement of proposals and submissions on the proposals. The Minister may give notice of the intention to prepare a water plan (Notice of Proposal to Prepare).

If there are significant issues to address in a plan review it will be important that this Notice is released so that interested parties can make submissions on what they consider the preparation of the water plan should address. Also it would be important that key stakeholders were informed about investigations and monitoring that will be considered for the plan review.

- iii. The process outlined in the Act for the preparation of a water resource plan is broadly retained. Previous amendments to allow for the postponement of plans for up to 20 years have been retained.

Proposed important stages include the release of a draft water plan and consideration of submissions before a final plan is released together with a report on the effectiveness of the plan in addressing responsible and productive management.

- iv. There is no longer provision for resource operations plans. These plans are replaced with the following:
 - *Water Entitlement Notice* - converts licences & other entitlements to water allocations, grant of water allocation or licence as a result of the release of unallocated water or the implementation of a water development option (see Item v. below) and cancellation of surrendered allocations.
 - *Resource operations licence & distribution operations licences* – provide for the granting and amending of these licences for bulk and distribution water providers similar to provisions in the current Act. However, the holder of a licence may now be required to have an approved Operations Manual, implement water sharing, operational rules and monitoring requirements and pay prescribed fees.
 - *Water Management Protocols* - implements aspects of a water plan such as the reservation and release of unallocated water, rules for the trading of supplemented and unsupplemented water within a plan area and criteria for deciding applications for licences.

These changes provide the flexibility to amend the water entitlement notices and water management protocols to respond to requirements in different catchments provided that the changes are in keeping with the requirements of the specific water plan. Time will be saved as preparation of these three measures can commence once the draft water plan is released.

The existing resource operations plans are to be transitioned by the Bill into water management protocols and operations licences. It is understood that this transitional arrangement won't alter the way that water is managed in each catchment. It is also understood that where the process for the preparation of a resource operations plan has been initiated, transitional arrangements will allow completion of these plans.

- v. Water Development Options involve the reservation of water for a major water development project. Provisions are made for the declaration of a major project and the granting and implementation of the development option. Any decision to grant a water development option must consider issues such as the availability of alternative supplies, timing for project completion and results of environmental assessments regarding the

mitigation of the impacts the project would have on environmental flows and existing water entitlements. The Minister can amend a water plan to reserve water for a large scale project provided required approvals have been obtained.

QFF understands that major water infrastructure projects will require some certainty regarding availability of water following completion of project investigations. However, it will be important at the earliest stage of project investigations that the opportunities to secure water for a major project are adequately considered. These opportunities could be limited to strategic water reserves defined in water resource plans. There may also be an opportunity to access additional unallocated water in a catchment that has not been considered as part of the initial water resource plans. The current review of the Gulf Water Resource Plan focusing on the Flinders and Gilbert catchments is examining this opportunity. However, there are catchments where most of the available water is held under entitlements leaving project developers very little opportunity to secure water for a project development. The Murray-Darling Basin Plan places significant constraints on further water development in the Queensland Murray-Darling catchments.

- vi. Proposed changes in the Bill provide for a number of matters that may be dealt with via regulation. It is understood these include reserving unallocated water where there is no water plan, prescribing a process for the release of unallocated water and regulation covering the implementation of measures addressed above including for example water management protocols and water entitlement notices.

QFF is of the view that the proposed changes outlined above should maintain an effective planning and management framework. These changes should also reduce the level of specification in the legislation to reduce regulation and allow stakeholders more involvement in the implementation of water plans. This should introduce significant cost efficiencies in the implementation of plans and hopefully more effective plans. Care will need to be taken with ten year plan reviews to ensure that matters of significance arising from the implementation of a water plan are addressed as part of a well-managed plan review and the conduct of appropriate consultation.

2. Authorisation of the take and interference with water

a. Authorisations that may be limited by a water plan or where there is no plan, a moratorium.

The Bill provides that an entitlement holder can take water up to a volume defined in a water plan, or what is necessary to carry out an activity stated in the plan, or interfere with water to the extent stated in a plan. There are two changes in this part of the Bill that warrant comment:

- i. Limitations may be applied to the take or interference of water for stock and domestic purposes and a limited statutory authorisation may apply to water for domestic use where there is a risk of future subdivision.

These powers will be important in managing growth in domestic use on land along watercourses near urban areas given that the meaning of domestic purposes has been changed (Section 6 Chapter 1 Part 2) to water for household purposes, watering of animals as pets and watering a garden. The allocation for the latter is proposed to be lifted from not more than 0.25ha to not more than 0.5ha but can be increased (by area or volume) if so allowed in a water plan. The definition in Section 6 also no longer requires that gardens be cultivated for domestic use (i.e. produce must not be 'for the sale, barter or exchange of goods produced in the garden'). This is due to the difficulty of policing this requirement. Care is also needed in managing growth in stock and domestic use particularly within

irrigation distribution schemes due to the costs of servicing increasing numbers of these small use customers.

- ii. Provision is also made to prescribe by regulation the take of water necessary for particular activities.

Regulations will address low risk water take such as provided for in a recent amendment to the legislation and the additional water requirements for intensive animal enterprises such as dairying.

b. Water licences. Proposed changes include:

- i. The definition of a prescribed entity is added to distinguish those entities which may hold water licences that do not attach to land.

The list of prescribed entities has been expanded to include water authorities, holders of resource operations licence (ROL) or distribution operations licence (DOL), holders of a petroleum and gas pipeline licence and the Commonwealth Environmental Water Holder (for holding entitlements recovered for Basin Plan environmental requirements). Additions to list can be prescribed by regulation.

- ii. To provide flexibility, a water management protocol or regulation can define the process for the allocation of water (or interference) under a water licence. However the Chief Executive is to decide the grant of a water licence to implement a water development option.
- iii. Processes for amending, renewing, reinstating, relocating, transferring, amalgamating, subdividing, cancelling, surrendering, repealing and the seasonal assignment of a licence have been significantly simplified by defining processes for 'dealings with water licences' (e.g. who may apply for a dealing and how to apply for a dealing).

This proposal allows the significant number of licence applications that are of an administrative nature to be dealt with expeditiously compared with applications that have to be assessed as if they are a new licence. This is because new licences may have impacts on other entitlement holders or on plan outcomes e.g. applications to increase the amount of water to be taken or increase the daily rate or maximum rate of take or change the location of take.

These are all important changes and will help simplify and streamline all processes dealing with licences particularly the processes for dealings with licences.

c. Water allocations. Changes worthy of comment include:

- i. The addition of definition of an *element* of a water allocation to include *attributes* which can be subdivided etc (i.e. nominal volumes, maximum rate and volumetric limit) and *conditions* which can't be adjusted (i.e. location of take, purpose of use, flow conditions for take and any other condition required by the chief executive). The meaning of the *maximum rate* of take has been added and definition of the *volumetric limit* has been revised

These changes to definitions confirm practice that has been put in place with the implementation of water planning but specification in Bill will simplify implementation of these requirements.

- ii. A water management protocol or regulation in addition to a water plan can define the process for a grant of a water allocation. However, the chief executive has to decide the grant of an allocation to implement a water development option.

The taking of water or interference with water under a water allocation is subject to a water plan but can now be managed either under a Resources Operations Licence and an operations manual (see Item d iii) or a water management protocol where there is no water provider (i.e. unsupplemented water management).

- iii. Provisions are made for dealings in water allocations which include transfers or leases under a Resources Operations Licence or change or subdivision or amalgamation of water allocations. Provisions are also made for transfers or leases not managed under a Resources Operations Licence. A regulation may prescribe dealing rules to apply state wide while a water management protocol defines dealing rules within a water plan area. Dealing rules can define what is permitted, what is prohibited and dealings that must be assessed and the chief executive must adhere to rules in considering dealing applications. Processes for applications for dealings can also be defined under the rules.

These changes will help simplify and streamline all processes dealing with water allocations.

d. Resource Operations Licences and Distribution Operations Licences

There have been a number of changes made to assist with the management of allocations held under both a Resource Operations Licence (ROL) and Distribution Operations Licence (DOL). While there is only a few DOLs in existence now (e.g. Pioneer Valley Water Board) the possible introduction of local management for the distribution schemes currently managed by SunWater could see a significant increase in the number and importance of these distribution licences. The changes proposed address the following key issues:

- i. Registrar of Titles is to be notified that a distribution operations licence applies to a customer holding a water allocation in a DOL area. A customer, before entering a contract to trade or lease their allocation, must '*disclose*' to the transferee or lessee details of the allocation and information supplied by the DOL holder on the scheme distribution arrangements. The allocation holder must also supply an *acknowledgement notice* to the transferee or lessee to sign to acknowledge that the disclosure statement has been seen and the obligations outlined apply to the water allocation. The Registrar must not record an interest on or dealing with a water allocation until the ROL holder has given notice of the existence of a supply contract covering the transfer or lease or other matter. The same section also provides that the Registrar can't record a transfer or lease subject to contracts involving DOL holders unless the *acknowledgement notice* signed by the transferee or lessee has been received.

These changes address concerns being raised that water trades can occur without buyers of allocations being adequately informed particularly about conditions of supply by DOL holders. Under a separate submission PVWater has also raised other issues for consideration including standard supply contracts between customers and DOL holders (as provided between customers and ROL holders) should apply if these contracts are not already in place. Also disclosure statements and Acknowledgement Notices should be extended to all allocation dealings not just a transfer or lease.

- ii. A water allocation can be surrendered by agreement between the chief executive and water allocation holder. The consent of the ROL or DOL holder is required for the surrender of water allocations held by customers and the Chief Executive is liable for fees under the supply contract or distribution arrangements unless otherwise agreed between the chief executive and the ROL or DOL holder. Surrendered allocations may be held by the chief executive, leased or sold, transferred to ROL or DOL holder, cancelled under a Water Entitlement Notice and granted as another water allocation or an alternate authority.

It is unclear at this stage how many water allocation holders are likely to opt to surrender their allocations. There are concerns for bulk and distribution schemes with implementation of water pricing that significant numbers of customers could seek to surrender their allocations particularly where opportunities to trade water are very limited. The commitment for the chief executive to accept liability for fees under supply contracts is important as without this provision ROL or DOL holders would face the loss of annual charges particularly fixed charges. Questions being raised in regard to the implementation of this provision include what conditions will trigger consideration of a surrender and what costs will the chief executive cover if surrendered allocations are made available to ROL and DOL holders?

- iii. Operations manuals will be required for the implementation of a ROL and may also be required for the implementation of a DOL. Note audit reports may be prepared by the chief executive regarding the compliance of ROL and DOL holders with their licences. Proposed changes allow for ROL and DOL holders to take greater responsibility for the preparation of these manuals subject to the approval of the chief executive. Procedures are outlined for resolving disputes about the approval of an operations manual. Operations manuals are to remain consistent with a water plan, ROL and DOL.

A number of implementation issues need to be clarified in regard to the implementation of these manuals. For example what conditions will apply for the preparation of manuals for DOL holders. It is also questioned whether DOL holders will be able to make submissions to the chief executive in regard to the approval of an operations plan and how operations manuals under a ROL will be transitioned from current operating arrangements e.g. will DNRM be preparing a model Operations Manual?

3. Deregulation of watercourses and the accelerated conversion of water licences

Amendments made in the Bill will allow for the accelerated conversion of water licences to tradable water allocations without the need to complete a full water resource planning process. The aim is to facilitate trade and to reduce regulatory burden. There are over 20,000 licences within catchments

across the State and it is proposed that the majority of licences that have the potential to be traded could be converted to water allocations in stages up to 2017.

There are two other initiatives that are aligned with this proposal. Amendments have already been made to the Act to remove regulation of low risk activities that involve the use of small amounts of water which pose a minimal risk to the management of water resources e.g. water for packing farm production and water for wash down of dairies. The range low risk activities for a catchment, (and potentially a general authorisation to take a small amount of water for any purpose without holding a licence) can be developed in consultation with the community through the water planning process.

The second is a proposal to deregulate watercourses in those areas where a water licence may be unnecessary. This would be in areas where there is limited development and small scale water take such as in upper catchments. The amendments in the Bill to implement this initiative include:

- a. Preparation of a watercourse identification map by the chief executive to show the implementation of the deregulation of watercourses in each catchment. The map will show clearly for the first time features of a watercourse and features identified as a designated watercourse, downstream limits and lakes on the map are to be designated for the purposes of the application of the legislation. The map is to be made available on the DNRM website. Proposed amendments to the *Vegetation Management Act 1999* are also included in the Bill to ensure that maps to deal with vegetation management for water courses and drainage features are produced in a manner consistent with watercourse identification maps.
- b. The definition of a watercourse has been amended to make it clear that the watercourse map applies only to upstream and downstream extents, and doesn't alter the lateral limits which continue to be defined as the outer banks on both sides. These limits will not be shown on the map.
- c. An amendment to the definition of a water allocation security objective has been included in the Bill. The proposed definition is 'protecting the share of water available to the holder of an allocation' rather than 'a performance indicator' that is 'stated in a water resource plan for the protection of the probability of being able to obtain water in accordance with a water allocation'.

QFF has tabled the following comments on the issues that need to be addressed in implementing this initiative:

- a. *The security of the converted water entitlement must be adequately defined and there must be a transparent conversion process which keeps all parties involved well informed. The current approach to defining the security of a water allocation is based on the performance of the entitlement e.g. the probability of being able to take the allocation's nominal volume in a year. Water resource plans establish area based conversion rates for licences and the resource operations plan converts the entitlement to an allocation. Metering is then implemented. Where adequate information is available this approach will continue to be used. However, alternative options have to be considered to facilitate conversion of licences to water allocations in areas where the information available is not adequate. For example a water plan can define the amount of water that can be made available for use say in a subcatchment area where it is proposed to address the conversion of existing licences to allocations. However, it may or may not be possible to define a measurable performance*

target e.g. days of pumping. Where it is not possible to define a performance target it will be necessary to define a rule or outcome that requires the security of the converted entitlement to be protected. To implement either option the definition of a water allocation security objective is proposed to be changed as outlined above. The Water Management Protocol would describe the required rules for implementing the conversion and then the Water Entitlement Notice would convert the licence to a water allocation or an amended licence and metering would be implemented.

- b. Appropriate monitoring and management controls must be put in place by the Department to avoid 'creep' in usage and the eventual problem of having to address a potential significant overuse problem. The need for monitoring and management will be particularly important if licence conversion areas could affect downstream areas where intense irrigation activity is closely managed e.g. upper catchments of irrigation schemes.
- c. The option of allowing transferability of existing licences within defined areas may be feasible to implement but it is considered that the conversion to water allocations offers significantly less risks and greater certainty and security of entitlement and for the investment decision. Options such as this may be simple to implement in the short term but may raise problems over the longer term. Licences (non tradable) should remain in place where this is the appropriate course of action and particularly if this is the preference of the entitlement holder.
- d. The conversion process must be undertaken on a catchment basis and fully engage entitlement holders and their communities. The same applies to the conduct of the deregulation of water courses. DNRM has undertaken preliminary analysis to identify those catchments where there are significant numbers of licences remaining. These catchments include the Fitzroy, Burdekin, Barron, Burnett, Mary, Moreton, Wet Tropics and Gulf and should be given priority for implementation of deregulation of watercourses and conversion of licences to water allocations where appropriate.

4. Managing the take of groundwater for mining and petroleum and gas projects

The take of water by petroleum and gas operations is administered under the *Petroleum and Gas (Production and Safety) Act 2004* (the P&G Act) and *Petroleum Act 1923* (Petroleum Act) and the resulting impacts on water supply bores and springs (including cumulative impacts) are managed under Chapter 3 of the *Water Act 2000*. The P&G Act provides a statutory right to take water but makes this right subject to obligations to comply with the underground water management framework under Chapter 3 of the *Water Act 2000*. This framework has been adopted as the most appropriate for managing the take of 'associated water' which is water that is unavoidably extracted in the process of extracting the resource.

Changes are proposed to both the *Mineral Resources Act* and the *Water Act 2000* to bring the take of groundwater during mining operations (also termed 'associated water') in line with the provisions for the petroleum and gas industry. The aim is to implement a consistent process for dealing with associated water across the resources sector. The proposed changes are as follows:

- a. Amendments which allow miners to take groundwater and confirm that this right is an underground water right which is subject to compliance with obligations about the take underground water (e.g. use of water inside or outside the area of the mining licence or lease,

measurement and reporting of the take of groundwater, notice when a groundwater right is exercised and conduct of water monitoring activities). These same obligations can apply in regard to activities for an exploration permit.

- b. Amendments to Chapter 3 of the *Water Act 2000* to ensure that all provisions in the Chapter now apply to resource tenures including both mining and petroleum and gas activities

Changes are also proposed for the *Petroleum and Gas (Production and Safety) Act 2004* to allow tenure holders to manage for the take of non-associated water which is water required for the gas production process (e.g. future shale gas industry in areas such as the Cooper Basin may have a greater demand for non-associated water to use in hydraulic fracturing). The proposed framework has been developed to manage access to non-associated water across all existing and future areas of petroleum and gas activities. CSG projects in the Surat Basin will have 5 years to transition to the new framework and in other areas the transition period is 2 years.

Changes made to this draft legislation have in part addressed a range of issues raised by both AgForce and QFF but further discussions are necessary to work through a number of implementation issues including:

- *Make good arrangements with bore owners likely to be affected by the take of water for mining*
- *Monitoring and reporting requirements for mining areas*
- *Treatment for exemptions for low risk activities*
- *Clarification about how mining projects are to be 'called in' to prepare baseline assessment plans and conduct underground water impact reports.*
- *Implementation arrangements for cumulative management areas where bores may be affected by more than one resource tenure*
- *Consultation with landholders*
- *Implementation of transition periods in the Surat Basin*
- *Early planning and preparation to implement licencing for the take of non-associated water at the end of transition periods.*

Questions are being raised about how project investigations will address issues that may significantly constrain mining or CSG project development beyond the scope of detailed environmental assessments of a project proposal. In particular, stakeholders want to understand how for example how sustainable development limits imposed by the Murray-Darling Basin Plan would be considered under any investigations for a mining development likely to affect subartesian aquifers in the Queensland Murray-Darling catchments. Also there is the issue of how Priority Agricultural Areas under the Regional Planning Interest Act 2104 would be protected.

5. Other proposed changes

- a. **Amendments to the *River Improvement Trust Act 1940*** – The significant amendments are as follows:
 - i. Amendment to the long title of the Act and its objects to allow trusts to invest in a broader range of activities necessary to reduce sedimentation, improve water quality or decrease watercourse erosion.
 - ii. Reduction of red tape for trusts in carrying out their activities and streamlining many of the existing provisions

- iii. Improving the processes for commencing, amending, expanding, amalgamating or dissolving existing trusts
- iv. Allowing Boards to formally appoint subcommittees to provide expert advice

QFF understands that the amendments to the long title of the Act and associated powers are initially aimed as proposals to manage for sediment and related water quality issues across the South East Queensland catchments. This is to allow trusts to work co-operatively with land owners and other catchment groups to plan for and implement activities beyond the bed and banks of watercourses. For example, to implement works to address gully or stream bank erosion and working in cooperation with land owners to implement best practice sediment management practices. The work of the Trusts is to focus on activities that directly benefit the health and resilience of rivers. This is an important initiative for South East Queensland where management of sediment has been identified as a significant issue. Planning has already been undertaken to identify projects that need to be undertaken to address the problem. The formation of such a River Improvement Trust will involve local governments across the key catchments and provide access to the appropriate skills and resources needed to address the management of sediment. It is unclear at this stage how these proposed changes would be applied to address issues in catchments outside south east Queensland particularly given the differences between these catchments and the need for detailed investigations and planning to address whether proposed measures need to be implemented.

- b. Referrals Panels** – Changes proposed provide for Panels to be established by the chief executive to advise on a draft water entitlement notice and a proposed operations manual and granting of an application to vary a moratorium notice or an application about started works subject to a moratorium notice. The Minister may also direct the chief executive to establish a referrals panel to consider an application to vary a moratorium notice.

These changes provide for the implementation of water entitlement notices and operations manuals and propose one referral panels process rather than two separate processes to deal with issues identified in the current Act. It is not mandatory that the Minister direct action in regard to applications to vary a moratorium notice.

- c. Water authorities** – Proposed changes to Chapter 4 provide that no new water authorities can be formed. Other changes of an administrative nature are proposed e.g. power to make and levy rates, board appointments/terminations. A new section defines arrangements for the dissolution of a category 2 water authority and issues to be dealt with if the authority holds a DOL.

It is unclear at this stage whether a power will be required in the future to form new Category 2 water authorities. QFF has supported effort over the last five years to transition Category 2 water authorities with responsibility for irrigation areas to establish as independent entities. Many of the twelve irrigation boards have now been established as independent entities and others such as PVWater are close to finalising these arrangements. These changes will allow time for the boards still remaining to voluntarily address whether it is feasible to establish independently. The clarification about distribution contracts for Category 2 water authorities that also hold a DOL will allow the transition of authorities such as PVWater to an independent entity.

- d. **Compliance issues** – *Questions have been raised about how compliance would be adequately administered given the changes being made to legislation, regulation and the role of the Department. There are concerns that the significant effort made to implement better management of water resources over the past years could be undermined if the Department of Natural Resources and Mines does not have the capability to implement and police the new approach. The value of water entitlements could be quickly diminished if entitlement holders lose confidence in the implementation of the water planning and management process. This is an issue that needs to be addressed in implementing proposed changes in the Bill*
- e. **Transitioning of water rights under special agreement legislation to the Water Act** – QFF supports these proposals
- f. **Reversal of onus of proof** – QFF supports this proposal
- g. **Minor amendments** – QFF supports proposals for flexible public notice requirements, inclusion of provisions for drainage and embankment areas within the regulatory framework for levees, online arrangements for payment of fees and other proposals.
- h. **Transitional provisions** – QFF has not had the opportunity to fully work through these provisions in the Bill. These provisions need to be clearly outlined and discussed with stakeholders including details of the implementation of regulations proposed in the Bill.