



# QUEENSLAND FARMERS' FEDERATION

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## Submission

5 May 2017

National Water Reform Inquiry  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601

Dear Sir

### Re: Submission on National Water Reform - Productivity Commission Issues Paper

The Queensland Farmers' Federation (QFF) is the united voice of intensive agriculture in Queensland. It is a federation that represents the interests of 15 of Queensland's peak rural industry organisations, which in turn collectively represent more than 13,000 primary producers across the state. QFF engages in a broad range of economic, social, environmental and regional issues of strategic importance to the productivity, sustainability and growth of the agricultural sector. QFF's mission is to secure a strong and sustainable future for Queensland primary producers by representing the common interests of our member organisations:

- CANEGROWERS
- Cotton Australia
- Growcom
- Nursery & Garden Industry Queensland
- Queensland Chicken Growers Association
- Queensland Dairyfarmers' Organisation
- Burdekin River Irrigation Area Irrigators
- Central Downs Irrigators Ltd
- Bundaberg Regional Irrigators Group
- Flower Association
- Pioneer Valley Water Cooperative Ltd
- Pork Queensland Inc.
- Queensland Chicken Meat Council
- Queensland United Egg Producers
- Australian Organic.

QFF welcomes the opportunity to provide a submission on the Issues Paper on National Water Reform. This submission will address each of the Issues raised by the Commission for feedback. QFF provides this submission without prejudice to any additional submission provided by our members or individual farmers.

*The united voice of intensive agriculture*



## Assessing progress

- *Data and information sources that might be useful for assessing progress*

The best information sources to address material issues is the formal reporting process implemented by agencies responsible for the implementation of reforms under the eight key elements of the NWI. These agencies include state government departments responsible for planning and support research, water providers and other service providers such as entities involved in water trading.

- *Areas where NWI reforms are stalled or delayed and consequences of that*

The preparation of water plans to cover all major water basins/catchments has taken time, but is now substantially completed and second generation plans are now being put in place. The risk based approach has meant that the focus has been on implementing the NWI framework for significant rivers and streams. There are still major areas of upper catchments that remain with non-tradable licences and in many cases unmetered, but there is a low risk that the small amounts of water able to be used in these areas could threaten the implementation of water plans.

Progress with groundwater planning has been much slower. Limited availability of data for planning in some of the groundwater areas has made it difficult to implement a comprehensive water planning framework. The Great Artesian Basin Plan is a case example. The 10-year plan review for this basin is currently underway but it is still not proposed to implement tradable water allocations over the next 10-year term because there is insufficient data for many of the aquifers covered by the plan. However, it is also proposed to allow the 'relocation' of licences within and between defined aquifers. Metering of all non-stock and domestic licences is to be implemented during this next term.

Implementation of metering has been slow in many unsupplemented surface irrigation areas due to resourcing constraints. In the absence of metering, it is difficult to adequately regulate use and this constrains the implementation of trading.

- *Other unfinished business of the NWI*

No further comments

## Preliminary framework for national water reform priorities -

- *Preliminary framework (table 1)*

This is an acceptable framework for the review.

- *Priority areas for water reform*

Priority should be given to refining the implementation of NWI reforms. For example, there is still a lot to be done with the implementation of groundwater planning, the Murray Darling Basin Plan implementation, review of water plans in key catchments and water pricing.

- *Key contemporary and future drivers of water reform*

Several irrigation schemes are facing difficulty coping with the implementation of reforms due to fundamental problems with supply conditions. For example, poor groundwater recharge from invested assets, loss of irrigation activity due to urban encroachment, supply arrangements restricting medium priority access to secure high reliability supply in extended poor to average seasonal conditions and small customer base for invested assets. These issues constrain the

implementation of water trading and raise issues for the implementation of water pricing reforms. The Queensland Competition Authority (QCA) made recommendations to address difficulties with the implementation of water prices in a few schemes during the current price path, but progress with implementation has been slow. Government intervention is needed to address these problems.

The irrigation distribution schemes face significant increases in electricity costs now and into the future. Investment in water supply and energy use efficiencies will be required to enable these schemes to provide cost efficient supply.

There are also environmental issues that will require significant investment if some of the schemes want to remain environmentally sustainable. These issues include management of rising groundwater and resultant salinity problems and improvements to drainage infrastructure.

## **Water resource management**

### Property Rights

- *What further actions are needed to achieve clear and secure property rights?*

Significant progress has been made across the state in securing property rights for water over the longer term but a lot more could be done to clarify the reliability of entitlements. More could be done in both bulk and distribution schemes in the following areas:

- develop a better understanding of the water supply system performance
- redefine water products to meet performance criteria
- improve water sharing arrangements to help customers to better manage their use of supply
- improve forecasting tools.

These measures are important within Queensland irrigation schemes because (to a large extent) water supply infrastructure has been designed to supplement natural flows, rather than as a storage for water entitlements and environmental needs.

- *What steps have been taken — or should be taken — to:*
  - *unbundle entitlements in unregulated surface water and groundwater systems?*  
*Unbundling has been implemented within significant surface irrigation areas that rely on take of natural river flows. There is still water planning work to complete in several groundwater areas but current data deficiencies in some of these areas means that unbundling cannot be implemented.*
  - *incorporate all water uses (for example, the mining industry) within the one planning framework?*

Amendments recently made to the *Water Act 2000* will bring all petroleum and gas and mining within the water planning framework subject to transition arrangements.

- *What new water sources should be brought into a water entitlement process and why?*

There are case examples in many parts of the state where alternative sources of water have been made available for irrigation as separate water products. These cases include treated CSG water, recycled water and plant waste water recovery. These projects appear to be working well under contractual arrangements without the need for a water entitlement process.

- *Are current approaches to water rights compliance and enforcement fit-for-purpose?*

Compliance issues are managed through the regional offices and in accordance with the dictates of water plans (WPs) and Resource Operations Plans (ROPs). Compliance cases which QFF has been aware of have been managed on a fit-for-purpose basis. The availability of metering is important for the implementation of compliance programs.

#### Water Planning

- *What are the key areas of water planning where further progress is required to achieve the objectives and outcomes of the NWI?*

As outlined above, there are still significant groundwater areas that need to be brought into the water planning process.

The option of converting the large numbers of upper catchment licences to tradable water allocations has been investigated. However, the irrigation sector has raised concerns about the definition of entitlements where there is very limited information available to define entitlements. The Department of Natural Resources and Mines (DNRM) has been expanding the implementation of relocatable licences within defined areas as a means of implementing trading in upper catchment areas.

- *Is there scope to streamline water planning processes to reduce unnecessary costs on planners and participants?*

The recent amendments to the *Water Act 2000* included several provisions specifically designed streamline the planning process and reduce duplication. These changes included:

- ROPs have been replaced by the Water Entitlement Notice and the Water Management Protocol, both of which can be changed more easily to respond to requirements in different catchments if the changes are in keeping with the requirements of the specific catchment WP.
- Reforms to the management of licencing allows the significant number of licence applications that are of an administrative nature to be dealt with expeditiously compared with applications that may have impacts on other entitlement holders or on plan outcomes.
- Changes to the definition of a water allocation simplifies the process for specifying these tradable entitlements and a water management protocol or regulation in addition to a WP can define the process for a grant of a water allocation. Provisions to improve dealings in water allocations (water trading) and a regulation can prescribe dealing rules to apply state wide while a water management protocol can define dealing rules within a water plan area.
- Several other matters can be dealt with by regulation rather than specification in the legislation. For example, regulations can be introduced to improve processes for the release of unallocated water and to deal with implementation problems with the treatment of licences as result of land sales.

- *Are processes for reviewing water plans sufficiently robust, transparent, open, and timely?*

Amendments to the *Water Act 2000* in recent years have provided a range of risk-based options for the reviews of WP. Some plans have been extended for a further 10 years where it has been assessed that there is no risk to continuing with the current plan. A process of consultation is used to inform a decision to extend a WP. Ten year reviews are being undertaken for those catchments where there are higher risks attached to achieving plan outcomes or where improved knowledge allows the implementation of a more comprehensive planning framework. In most cases these plans

provide for a five year comprehensive reports on plan implementation which address the key issues addressed in the water plan.

QFF considers these processes adequately address the issue of risk to the outcomes of WP.

- *Is there scope to improve how water plans deal with long-term shifts in climate affecting resource availability? Are there recent examples of leading practice?*

WP reviews update hydrological records to address long term climate change trends. It is understood that analysis undertaken to decide whether to extend a WP for an additional 10 years addresses longer term climate change risks.

The impact of extreme events has led to several investigations regarding improved flood control for dams (e.g. revised flood reporting and control measures for many major dams) and for a program of upgrading of dams to address the risk of infrastructure failure.

- *Are current water entitlement and planning frameworks conducive to investor confidence, facilitating investment in major new infrastructure (such as in northern Australia), while managing risks to the supply security of existing water users?*

WPs identify unallocated water reserves and apportion these reserves for general use, strategic use (coordinated state projects, projects of regional significance and local government needs) and in recent plans, reserves for indigenous economic use. DNRM has responsibility for the release of water from these reserves in accordance with procedures defined in the water plans and in the water regulations.

There was also consideration given in the recent reviews of the *Water Act 2000* to provide major water infrastructure projects some certainty regarding availability of water before they committed to detailed development investigations. QFF supported this proposal provided any major development could be accommodated within the requirements of a WP or review of a WP. This proposal has been rejected by the state government, but investigations are proceeding to provide some non-legislated means of achieving the outcome. It is interesting to note that the Gulf Water Plan was subject to a limited review for the Flinders and Gilbert catchments when a large-scale agriculture project was mooted for the Gilbert catchment.

- *How can the interests and needs of Indigenous people be better accommodated and represented in water planning processes?*

As outlined above, WP reviews now specifically address the reservation of water for indigenous economic use as well as cultural water needs. It is understood that the approach is subject to further investigation by DNRM for the preparation of future plan reviews.

- *What steps have been taken — or should be taken — to integrate water quality objectives into water planning arrangements?*

Management of water resources in Queensland is undertaken to ensure that water allocation optimises the balance between economic, environmental and social factors. QFF acknowledges that to guide the sustainable allocation of water and understand the associated threats to the environment from water resources development, rigorous science is a key input into the water planning process.

The quality of natural waters in Queensland (e.g. water in rivers, creeks, wetlands, lakes, estuaries and coastal areas and ground waters) is protected under the *Environmental Protection (Water) Policy 2009* (EPP (Water)). The EPP (Water) achieves the object of the *Environmental Protection Act 1994 [Qld]* (the EP Act) to protect Queensland's waters while supporting ecologically sustainable development.

Environmental values (EVs) and water quality objectives (WQOs) are being progressively determined for areas of Queensland. EVs define the uses of the water by aquatic ecosystems and for human uses (e.g. drinking water, irrigation, aquaculture, recreation). While WQOs (e.g. for nitrogen content, dissolved oxygen, turbidity, biological indicators), are derived to protect environmental values of the water. Both indices are based on technically derived water quality guidelines.

In high ecological value (HEV) areas, WQOs are to be maintained while in slightly disturbed (SD) areas, water quality is to be improved such that WQOs are achieved. In moderately disturbed areas, if water quality meets the WQOs it is to be maintained, or if it does not, quality is to be improved to meet them. In highly disturbed (HD) areas, water quality is to be improved so that it achieves the WQOs.

As EVs and WQOs are defined for Queensland waters, they are added to Schedule 1 of the EPP (Water). For areas where EVs and WQOs have not yet been defined, a Healthy Waters Management Plan (HWMP) or Water Quality Improvement Plan (WQIP) may be used in local decision making. State information on water quality may be obtained from the Queensland Water Quality Guidelines (QWQG) and national information from the Australian and New Zealand Guidelines for Fresh and Marine Water Quality (ANZECC), and each of these documents define the importance of defining local guidelines and objectives.

In Queensland, environmental values and water quality objectives are considered in statutory planning and decision-making for development approvals and environmental authorities under the EP Act, and certain approvals under the *Sustainable Planning Act 2009 (Qld)*. They also inform non-statutory water quality planning and decision-making.

There is a current review of the EPP (Water), to include further draft environmental values and water quality objectives which have been developed for more Queensland waters. This review specifically includes 'Project Waters' from the Great Barrier Reef coastal waters and contributing catchments (including updated Fitzroy, Burdekin/Haughton/Don/Abbot Point and East Cape York areas), Queensland Murray-Darling and Bulloo Basin waters, and South East Queensland waters. Consultation documents, including draft environmental values, water quality objectives (based on technical guidelines) and aquatic ecosystem mapping have been released for public comment and QFF members are currently responding to these documents – the closing date for consultation responses is 31 May 2017.

The Department of Environment and Heritage Protection (DEHP), the Administering Authority for the EP Act and subordinate legislation, is also currently reviewing its policy concerning flexible options for managing point source water emissions (nutrient offsets – noting that this is a voluntary option), see <https://www.ehp.qld.gov.au/water/monitoring/voluntary-nutrient-management.html>.

The purpose of this policy is to deliver an improvement in water quality in the receiving environment while providing an alternative investment options for licenced point source operators to meet their water emission discharge requirements under the EP Act.

The outcome of this current consultation will also inform the proposed review of existing minimum standards for water quality for urban development, stormwater management and other intensive land uses; such as sewage treatment plants and aquaculture facilities. At this stage, there is considerable uncertainty to impacted industries which is negatively impacting investment decisions.

- *Further Water Quality Considerations in the Water Planning Regime*

To guide the sustainable allocation of water and understand the associated threats to the environment from water resources development, rigorous science is a key input into the water planning process, the Queensland Government has developed the Water Planning Science Plan 2014-2019, see [https://www.dnrm.qld.gov.au/\\_data/assets/pdf\\_file/0016/233701/water-planning-science-plan.pdf](https://www.dnrm.qld.gov.au/_data/assets/pdf_file/0016/233701/water-planning-science-plan.pdf).

This plan builds on existing knowledge about the hydrology of surface and groundwater systems, ecological assets and their critical water requirements to guide the future analysis, interpretation and collection of 'fit for purpose' information for use in water resource planning. The plan directs targeted science, monitoring, modelling and assessment activities that support a range of water planning functions including but not limited to ecohydraulic or hydrological modelling. It also guides the collection of the supporting scientific evidence to effectively meet the knowledge needs for environmental assessments, while focusing on the identification of the science requirements to enable responsible development of the state's water resources, as well as assessment and reporting on the ecological outcomes stated in existing WPs (formerly known as Water Resource Plans (WRPs) prior to 6 December 2016 following amendments to the *Water Act 2000*).

The plan identifies the science requirements to enable responsible development of Queensland's water resources, as well as assessment and reporting on the ecological outcomes stated in existing WP. A key component of the plan is the focus on developing timely science outputs to ensure that information is available in tight planning timeframes, acknowledging the continual review of the existing WPs and new water plan areas which require ongoing scientific assessments as needed throughout the life of a plan and for five yearly reporting, rather than simply at the expiry of a WP. This information is used to decide regulatory tools such as water moratoriums during water plan development through to identifying new ground water control areas.

The plan focuses science knowledge building efforts within five thematic areas over a five-year planning horizon and the science themes have been strategically developed to group needs for water planning decision making. The five thematic areas which underpin the plan are: asset requirements and threats; landscape ecohydrology; groundwater dependent ecosystems; environmental assessment and evaluation; and hydrology.

To support the implementation of the plan, gap analysis is used to determine the key science knowledge needs for Queensland's waters. The finalised plan along with gap analysis, a risk profile for each water plan areas and known planning timeframes act to prioritize all future water planning science work; which, in turn, guides the development of the annual work programs for DNRM delivered by regional DNRM staff and a Memorandum of Understanding and associated work program with the Department of Science, Information Technology and Innovation (DSITI).

QFF understands that this approach is unique to Queensland adopting a collaborative approach between DNRM and DSITI. A transparent, science-based approach is highly regarded by the agricultural sector particularly as, for many years, their water usage has been heavily regulated and

has been subject to progressive science-based learnings – unlike competing industries. Access to good quality, fit for purpose water is essential to agriculture.

The application of science-based learning and, documented EV's for an area is critical. This information provides a baseline against which any impacts (from point source and/or distributed activities) can be identified and is essential given the increasing competition for existing water resources, and increasing levels of (industrial and other) development within catchments.

### Water Trading

- *To what extent has the NWI goal of open water trading markets been achieved?*

Trading arrangements have been put in place through the planning process for most areas of significant irrigation activity. Trading rules for each plan are defined for supplemented and unsupplemented systems to ensure that trading does not impact negatively on the requirements of the plan. Markets in Queensland are small and localised given the nature of water supply and access that can be achieved by entitlement holders.

SunWater has established information systems to facilitate both temporary and permanent trades within its schemes. DNRM administers trades in unsupplemented areas. In addition, DNRM has been establishing localised markets for the relocation of licences where it has been assessed that information availability constrains the move to fully tradable allocations. Under these arrangements, those who wish to relocate licences have responsibilities to investigate their proposals. The degree of openness of markets reflects these varied conditions for trading under each plan.

- *Are there worthwhile opportunities to expand trade to new regions and water resources?*

Opportunities exist to expand trading as plans are undertaken in new areas such as Cape York and in groundwater areas. In these cases, there is a need to address the quality of the information that is available. As outlined, the improved availability of information in the Great Artesian Basin for the second plan review should allow the implementation of licence relocations but the development of markets will be constrained by the need to implement metering for non-stock and domestic licences over the term of the new plan. Planning is now proceeding to implement trading in the Central Lockyer irrigation scheme. This will be complex given significant variations in access to groundwater, lack of good metering across the scheme and groundwater quality problems.

The issues involved in expanding trading in upper catchment areas has been raised in other sections of this submission.

- *Are there restrictions on trading water that are unwarranted and should be removed or revised?*

The movement of water either on a permanent or temporary basis between medium and high reliability users is still limited. Conversion rates are defined in some irrigation schemes; however, there has not been significant interest in conversions apart from a few cases triggered by the impacts of drought. This activity is very case-specific, but there would be some value in investigating whether policy changes could open trading opportunities between high and medium priority users.

- *Are there actions that governments should take to reduce costs and delays of trading water, including for inter-region and interstate trade?*

Reporting on plan implementation indicates that cost and time issues are being met for approval of trades by the regulator. There are cases where delays have occurred due to delays on the part of the water provider but this is not reported as an overall problem. Recent changes to the legislation addressed issues of poor communication on trades between the bulk and distribution water providers. It has also been noted that the fixed costs of legal advice may be constraining small trades of water. This issue could be resolved through the better provision of information.

Questions have been raised about constraints on interstate trade in the Border Rivers region. Improvements have been made to facilitate trading but there are still requirements on proponents to justify proposals to move from unsupplemented areas in Queensland to meet conditions of the Border Rivers Plan.

Opportunities exist to move water between basins/catchments but these appear to be limited to larger projects involving significant new storage infrastructure.

- *How can water market information be made more timely, reliable and accessible in a cost-effective way?*

The Queensland Government is relying on the market to respond to this issue. The information needs of localised markets and varied plan requirements are difficult to accommodate. DNRM provide limited market information on trading primarily to support its reporting on the implementation of plans, but more could be done with improved resourcing. The question remains about the benefit cost of additional resourcing. However, it is not considered that more reforms to national information systems will be of any benefit to the developments of local markets.

### Environmental Management

- *What are the guiding principles for 'best practice' management of environmental water? Are the institutional and governance arrangements for held environmental water working well?*

Each WP defines the ecological outcomes that are to be achieved. These outcomes are achieved through a process of flow based management to suit the specific conditions in Queensland catchments. Effort is being made in the second generation plans to define ecological outcomes more precisely to facilitate reporting and future reviews of plan performance. Research being conducted into the management of recovered water by the Commonwealth Environmental Water Holder in the Queensland Murray-Darling catchments may inform improvements that could be made to flow based management in other catchments.

- *What is the role for governments in promoting trade in environmental water, and acquiring environmental water at least cost to the community?*

This has not been a priority for attention in Queensland catchments. Work in the Murray Darling Basin catchments may inform how trade could be used within an environmental flow regime.

- *How can institutional arrangements be used to ensure agencies with natural resource management responsibilities (including environmental water managers) pursue least-cost approaches to achieving environmental and other public benefit objectives?*

It is important that a framework is put in place to make costs transparent and apply least-cost benchmarking to encourage improved management arrangements.

- *Are the policies that affect the health of water systems sufficiently integrated?*

Implementation of integrated catchment management requires a significant reform commitment with linked resourcing to manage the issues that could affect the health of water systems. This would be a major state-wide initiative which could not be achieved by adjusting existing water planning frameworks. There is no doubt that some irrigation communities would welcome a more integrated approach if that gave some flexibility to vary the take of water for consumptive purposes.

## **Water services**

### Rural Water Services

- *Has the NWI been successful in achieving its objectives with respect to rural water services? If not, what actions are required to achieve these objectives?*

Substantial progress has been made in bulk and distribution schemes in achieving recovery of costs, including recovery of funds for refurbishment or replacement of assets. An important priority for irrigation customers has been the assessment of need for investments and cost efficiency in the delivery of assets and services during five-year price path determinations. The successive price paths have been reasonably open processes which has been valuable in developing an understanding by both scheme operators and irrigation customers of the critical issues involved in managing schemes to drive improved cost efficiencies.

However, there are still significant questions regarding the application of NWI regarding the recovery of a rate of return on existing scheme assets. The Queensland Government decided that a rate of return would not be sought on scheme assets built before June 2011 as a basis for the preparation of the current price paths. However, there is continuing debate about this determination which creates uncertainty about future price setting.

- *Are there any instances where similar rural water service providers should be subject to different regulatory treatments based on the nature of their ownership and/or jurisdiction of operation? If so, when and why are such different approaches warranted?*

Investigations are proceeding into having each of the eight SunWater distribution schemes locally managed. Investigations to date have shown four of the schemes could be managed more efficiently under local management focusing on delivering services on a fit-for-purpose basis. The other four have further investigations to do to prove their cases.

- *What role should independent economic regulators play in the regulation of rural water services?*

The success of the local management initiative will probably mean that bulk water prices will continue to be determined in accordance with a brief set by the state government. It may be preferable for the QCA to have an independent brief from here on to allow a consistent process of price setting to be put in place.

- *How are the needs of rural water service providers (both bulk water and irrigation delivery) and preferences of users balanced in the setting of infrastructure charges? In what ways could these processes be improved?*

It is considered that the local management initiative will substantially improve management of the distribution schemes. It will still be necessary to have structured working arrangements in place between bulk and distribution entities to ensure a balanced approach to bulk water pricing is achieved.

- *How effectively do infrastructure network owners engage with users (both current and prospective) to ensure infrastructure programs address current and future needs?*

The QCA determination for the last price path required the preparation of network service plans. Sunwater developed a two-stage process of reporting on performance for the preceding financial year followed by consultation on the network service plan for the coming financial year. This process has been useful, but may not be required for the next price path with a shift to local management for the distribution schemes. The bulk schemes do not have the complexity of costs and services provided in the distribution schemes.

- *Is infrastructure charging sufficiently flexible to cope with changes to the number and composition of customers within networks? If not, how could infrastructure charges be improved? What role have played in this?*

Effort has been made in each price path to refine pricing to better address difference between schemes, not only in terms of number of customers but also for the allocation of costs between medium and high reliability customers. It would be expected that forthcoming price paths would move to further improve the pricing framework covering issues including treatment of distribution losses, drainage costs and electricity charges to name a few issues.

- *Have termination fees been effective in enabling infrastructure network owners to adjust their networks in response to declining usage?*

Distribution schemes such as the Eton, Bundaberg and Lower Mary have a continuing problem of low average use as customers enjoy the benefits of seasonal rainfall conditions. Use in these schemes is also declining due the impact of high electricity charges. At this stage, customers are not seeking to exit the schemes.

- *What, if any, government oversight should there be of privately owned providers of irrigation services?*

No comments.

- *How robust are the cost-benefit analyses applied to irrigation infrastructure projects? Where could they be improved?*

The last price path set in place arrangements for the full evaluation of irrigation infrastructure projects as part of the network service plan framework. While a process exists for the refurbishment or replacement of assets, there is little detailed planning undertaken into projects to modernise assets or improve the management of assets. The local management investigations have drawn attention to this issue, particularly focusing on issues such investment in energy efficiency measures, improved monitoring to improve supply efficiency and arrangements to deal with environmental issues such as rising groundwater and drainage improvements. There is also continuing interest in improving cost efficiency.

- *Are there sufficient checks and balances to prevent unviable or unsustainable infrastructure projects from proceeding? If not, what are the areas needing improvement?*

The Department of Energy and Water supply (DEWS), is currently developing a 'Queensland Bulk Water Opportunities Statement' (QBWOS). The objective of QBWOS is to 'drive sustainable regional economic development through appropriate and timely use of existing water infrastructure and investment in new infrastructure.' QFF expects to be able to review the draft QBWOS soon, but it is understood that this 'living' document will provide a detailed stocktake of existing infrastructure,

identify all latent resource capacity, and provide a structured process and assessment framework for new infrastructure projects.

#### Urban Water Services

No comments on the listed issues.

#### ***Achieving reform***

- *Should further water reform be pursued through an improved NWI?*

Implementation of energy reforms (i.e. the transition to cost-reflective (demand) electricity tariffs by 1 July 2020) will negatively impact on the continued implementation of the NWI in Queensland unless there is genuine effort to coordinate and support investment in water and energy use efficiency measures, both on farm and in irrigation schemes (particularly distribution schemes).

In addition, there are environmental issues for irrigation schemes, such as rising groundwater, that will warrant significant investment.

Implementation of metering is another issue which is delaying the implementation of reforms. It is unclear whether these are issues which affect irrigation schemes in other states and hence warrant an improved NWI.

- *How can policy impetus be best generated?*

Additional resourcing will be important to implementing reforms outlined above.

If you have any further questions regarding this submission, please contact Ian Johnson

Yours sincerely

Travis Tobin  
Chief Executive Officer