



10 September 2021

Dr Jane Doolan
Commissioner
Productivity Commission
Register of Foreign-owned Water Entitlements Inquiry
GPO Box 1428
CANBERRA ACT 2601

By email: foreign.water.entitlements@pc.gov.au

Dear Commissioner

The Minerals Council of Australia (MCA) welcomes the opportunity to provide a submission in response to the Productivity Commission's draft report on the Register of Foreign-owned Water Entitlements (the Register).

The MCA's strategic objective is to advocate public policy and operational practice for a world-class industry that is safe, profitable, innovative, environmentally and socially responsible and attuned to community needs and expectations.

The Australian minerals industry has a long-standing commitment to the effective and responsible management of Australia's water resources.

MCA member companies are signatories to *Enduring Value – the Australian Minerals Industry Framework for Sustainable Development* which includes commitments to continual improvement in environmental performance, including responsible water use¹. MCA member companies have also adopted Towards Sustainable Mining (TSM) ESG performance system, which helps minerals companies evaluate, manage and communicate their sustainability performance.² The TSM Water Stewardship protocol reinforces the commitment to sustainable water use through criteria for water governance, operational water management, planning and reporting.

The minerals industry is at the forefront of consistent water accounting and reporting, developing a sector-leading water accounting framework (WAF) in 2011. The WAF has been adopted globally.

While a small water user at a national level, the industry can be a significant user at a local level. As such, mining projects are subject to rigorous and extensive environmental approvals process.

Foreign investment remains vital to ensuring Australian mining keeps its strong comparative advantage in resources exports, driving the Australian economy, paying significant taxes and royalties and supporting jobs and businesses across the country.

¹ Minerals Council of Australia, [Enduring Value](#), 2015 Edition.

² Minerals Council of Australia, [Towards Sustainable Mining](#), MCA March 2021.

Register of Foreign-owned Water Entitlements

The definition of *registerable water entitlement* under 5A (1) of the Act is very broad, capturing a wide range of water access arrangements. As provided in the MCA submission to the inquiry, given the unique characteristics of industry water use, the MCA considers non-perpetual water licenses and access arrangements (i.e. as part of project approval processes) should be excluded from the register. At a minimum, there needs to be clear contextual information provided alongside the register reports. This will avoid creating confusion for register users by giving the impression the water is always tradeable, of high quality and consumed.

The MCA notes that the findings and recommendations throughout the draft report apply to both the current and forthcoming Registers. Specifically, the MCA supports draft recommendation 5.3 which recognises the need to highlight the distinctions between water market concepts and explain the distinct characteristics of the use of water entitlements in the minerals sector. Explanatory materials should recognise:

- Operations use a wide variety of water sources including low quality or saline water unsuitable for other water users
- Dewatering and associated water may be extracted from the ore body and surrounding groundwater that is not consumed, but discharged into the environment or to downstream users; and
- Licencing requirements may require entitlements to include contingencies to enable companies to manage extreme rainfall events (e.g. cyclonic events) and flooding.

The MCA would welcome the opportunity to provide further input to assist in the development of explanatory material. Should you have any questions, please do not hesitate to contact Simon Fitzgerald, Senior Manager - Environmental Policy

Yours sincerely

**TANIA CONSTABLE PSM
CHIEF EXECUTIVE OFFICER**