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National Water Reform 2020  
Productivity Commission  
Locked Bag 2, Collins Street East  
Melbourne VIC 8003

Dear Sir/Madam

### **BHP Submission: National Water Reform 2020 Draft Report**

BHP welcomes the opportunity to respond to the Productivity Commission's National Water Reform 2020 draft report. Our comments build on our response to the National Water Reform Issues Paper, provided on 21 August 2020, and reflect our continued commitment to support effective water stewardship via the National Water Initiative.

We have also contributed to the submission from the Minerals Council of Australia and are supportive of its recommendations.

#### **About BHP**

BHP is a leading global resources company with an extensive history and presence in Australia. Our operations in NSW, Queensland, South Australia and Western Australia produce copper, gold, iron ore, metallurgical coal, nickel, oil and gas, thermal coal and uranium.

As outlined in our previous submission, water has an integral role in our operations and is vital to the sustainability of our business. We interact with water in a number of ways, including extracting it for processing, dust suppression; managing it to access the orebody through dewatering and diversions of rainfall runoff; providing drinking water and sanitation facilities for our operations and surrounding communities; discharging it back to the receiving environment; and managing it in tailings and dam storages.

BHP recognises we have a responsibility to effectively manage our water interactions and minimise impacts on water resources. The shared nature of water resources also means we need to think 'beyond the fence' and work with other parties to ensure effective water governance. Our commitment to effective water stewardship across Australia, and internationally, is outlined in our global Water Stewardship Position Statement and provides a foundation for our comments below.

#### **Comments on National Water Reform Draft Report**

BHP supports the Intergovernmental Agreement on the National Water Initiative (NWI) and welcomes the Productivity Commission's draft report as an important step in the NWI policy renewal process.

We remain committed to working with all jurisdictions to support strong and transparent water planning and effective governance of this vital resource.

Our comments on the draft report focus on the following areas:

1. Integration of minerals sector into water entitlement and planning arrangements
2. Efficiency and Transparency as core principles
3. Traditional Owner water rights
4. Guidance on water management frameworks

## **1. Integration of minerals sector into NWI entitlement and planning frameworks**

BHP notes that the integration of extractive industries into water entitlement and planning frameworks varies across the four states where we operate, resulting in regional-specific arrangements to effectively manage water resources and water rights. These regional regimes ensure impacts are managed, surrounding users are not disadvantaged and fluctuations in associated water take are accommodated.

While BHP supports the continuing integration of extractive industries into NWI-compliant frameworks, it is important these frameworks in turn recognise and accommodate the unique characteristics of extractive industry water use. For example, the use of low-quality groundwater for mineral processing may require different water resource licencing and allocation assessment processes, particularly in locations where no other users exist.

## **2. Efficiency and transparency as core principles**

Water is a shared resource intersecting a myriad of jurisdictional and stakeholder interests. Given the potential for regulatory complexity and overlap, BHP believes the renewal of the NWI is an opportunity to embed efficiency and transparency as core principles in water regulation, licencing and planning.

In particular, a focus on streamlined, consistent regulation, better integration between State and Federal agencies and transparency around decision-making would support certainty, compliance and confidence in sustainable water resource management and investment security.

## **3. Traditional Owner water rights**

BHP supports the Productivity Commission's recommendation to recognise the interests of Aboriginal and Torres Strait Islander people in water resource management. Although some states are conducting regulatory reviews of cultural issues and traditional owner water rights, currently the mechanisms to arrive at decisions is unclear and improvement to these processes is likely to add value. Consistency and efficiency in the role of Federal and State agencies will also be essential when addressing these issue. We would welcome the opportunity for continued engagement as the relevant NWI elements are designed.

## **4. Guidance on Frameworks**

Consideration should be given to providing guidance on frameworks to address cumulative impacts across larger geographic areas such as catchments or regions. The industry would benefit from being able to work within a known framework rather than having to undertake broader cumulative impact assessments on as project by project basis. This would enable greater certainty and improve efficiency of process for both Government and industry.

Thank you again for the opportunity to comment the National Water Reform 2020 draft report. Should you have any questions or wish to discuss our submission in greater detail, please contact Blair Douglas

Yours sincerely

**Blair Douglas**  
Global Practice Lead Hydrology and Water Management  
Resource Centre of Excellence