



Mackay Conservation Group

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National Water Reform 2020
Productivity Commission
Locked Bag 2,
Collins St, East Melbourne
Victoria WA 8003
Email: water.reform.2020@pc.gov.au

To whom it may concern,

Re: Nation Water Reform 2020 Productivity Commission Draft Report

The Mackay Conservation Group welcomes the opportunity to comment on the **Draft Report for National Water Reform 2020**. Please note that our comments and submissions are largely focused on the Burdekin Basin and the significant gaps in water management that we urge a renewed National Water Reform to reconcile in order to meet the goals of the NWI.

Regards

Annabel Gorman Deane
Rivers & Reef Campaigner
Mackay Conservation Group

Section 2. Progress against the NWI and the case for continuing reform

- While there has been much progress with many of the NWI goals met. We support a reformed NWI that takes into account new and current pressures especially as they relate to increased pressures from climate change and to widen focus to include increased focus on environmental and first nations peoples water needs.
- Broad language within the NWI required reform in order to ensure compliance and guide government to better meet NWI objectives.

3. NWI renewal: a refreshed intent

- A renewed NWI must focus on and take into account environmental degradation in order to meet the variety of demands of all water users, including the natural environment, and reduced water availability as a result of climate change.
- A reformed NWI must also look to correct overly broad language that has allowed government to stray from the intentions of the NWI, overlooking some of its original objectives.
- We agree that greater recognition and understanding of Aboriginal & Torres Strait Islander people's culture within a reformed NWI (section 9)
- A reformed NWI must include measures to ensure water policy and expenditure is supported by evidence-based policy (section 15) and community water literacy (Section 14) so as to ensure equity for all water users into the future.^[1]_[SEP]

Section 4. Building in good governance for a renewed NWI

- We support the report's statements which assert a need for strengthened governance architecture.
- Deviation from 2012 NWI reveals the need for creation of stand-alone legislation to provide the NWI with statutory powers of enforcement.
- Though the NWRC provides some oversight, the implementation, assessment and public reporting are insufficient for such a vital national water policy and does not ensure public trust in water management within Australia. The lack of water literacy and trust in water management within Australia has led to policy outcomes that do not meet the NWI objectives (section 14).
- The lack of statutory powers hampers the NWI's ability to drive governments to change the way the resources are managed and used in order to fully address challenges and tackle emerging issues such as the effects of climate change on water availability into the future. As the NWI is not statutory, governments can and have ignored their obligations (see section 13)
- We support the reports advice of incentivised reform.

Section 5 Water Resource Management - a fit-for-purpose framework

- We support the report's advice for fit-for-purpose arrangements that support cost-benefit analysis of different actions, including risks to the environment and water users. We support increased clarity in the guidelines to ensure the NWI intentions are met.
- We further support measures in the Burdekin Basin (a developing system) to ensure that over-allocation (like that seen in the Murray-Darling Basin) does not occur. Trade-offs in this system for consumptive use is a high risk. Worst case climate change scenarios should be applied to ensure that over-allocation does not occur and environmental water needs are maintained.

- In these developing systems, not just fully-developed systems, close management must be supported by improved funding to fill data & knowledge gaps (section 15) to avoid the high risk of degradation through inappropriate construction of infrastructure and poorly planned water allocation. Priority must be placed on ensuring these developing systems do not become over allocated.

Section 6. Water entitlement & planning

- We support the reports statement that exemptions are removed for mineral & petroleum industries so as to be subject to the same water access & entitlements of all other water consumptive users. Currently NWI principles are not uniformly or consistently applied in Queensland with the interference of groundwater by the coal and gas industry not being taken into account
- We support the inclusion of alternative water sources in the entitlement system. Australia will be severely affected by a changing climate so diversification of water management must be adopted. It is vital that policy and investment that encourages diversified management of already accessible water resources is a cornerstone of creating drought resistant communities in future. Private property holders are already making use of stormwater/ recycled systems to reduce their water costs and usage. It is vital this is encouraged and supported, through policy that encourages investment, for more widespread uptake with all consumptive users. (Section 13)
- We support a risk-based approach to interception, with environmental impacts for the capturing of run-off thoroughly investigated and integrated in entitlement frameworks. This framework requires closer management and monitoring to ensure it meets the guidelines.
- The environment must be included as a key water consumer. Water management plans must not only take into account current environmental requirements but also must consider worse-case scenarios surrounding water scarcity and environmental needs. This should be of primary concern when water is allocated to industry.
- We support the modernisation of “best-practice” framework & guidelines based on contemporary understandings. This must be clear in its language so that this is met.
- The inclusion of provisions to contend with drought should be a feature of the NWC reform with statutory measured management (water quality, water flow, salinity, algae etc) but also expected and planned for predicted climatic pressures.
- We agree that a risk-based approach should be adopted at all times surrounding water management and planning process with strict regulatory requirements with water quality being closely monitored and metered. With provisions for drought scenarios .
- Water storage, through the use of dams, as a drought mitigation measure will be undermined by evaporation. As temperatures rise, evaporation will also increase and this must be considered. Other water management alternatives to damming, such as water efficiency measures, must be examined in order to meet best-practice goals.
- We support the implementation of both hydrological and ecological triggers as mechanisms to initiate the reassessment of balances between environmental and consumptive water uses and whether they are meeting objectives. This avoids issues slipping through the cracks as we see regularly with our current system. As a resource of national importance water requires best-practice responsive mechanisms.

Section 7. - Water Trading & Markets

- Water trading that allows for water to be moved outside a basin or region must be legislated against in a reformed NWI to ensure water resources are not drained from one basin to serve another.

Section 8. Environmental Management

- We support the emphasis on the environment as a key water user in the reform of the NWI. We support the environmental outcomes in this proposal as they are substantially more robust and tangible than previous plans.
- We agree that waterways and water-dependant ecosystems should be considered of high environmental priorities. This must be clear statutory implantation with measurable indicators to ensure objectives are being met.
- In the case of the Burdekin Basin we see the need for clear guidelines. A current water infrastructure proposal will inundate the the Broken River, Urannah Creek and Massey Creek Aggregation nationally important wetland. This highlights the need for statutory regulation surrounding environmental protections within water planning.
- We support the need for transparent and scientifically supported environmental objectives. Climatic pressures identify a necessity to consider modelling and projections rather than relying on averages of past rainfall and river flows.
- Other than the requirements for the minister to consider to affects of climate change on water availability under s45(2) (g) of the Water Act 2000, planning for the effects of climate change on Queensland's water resources does not currently occur under any other Queensland legislation. For example, the Coordinator-General is not required to consider the affects of climate change on the economic and environmental performance of proposed dams when assessing them under the *State Development and Public Works Organisation Act 1971*. This leaves a gaping hole in consistency in the states meeting NWI requirements and objectives.
- As planning for climate change is not occurring across the whole of government, Queensland's urban and rural water supply systems are extremely vulnerable to the long term effects of climate change.

Section 9. Securing Aboriginal & Torres Strait Islanders peoples interests in water

- We are strongly supportive of reform within the NWI that allocates water rights to traditional owners. Understanding of water needs as well as the cultural importance of water for first nations peoples must be a large part of an ethical reformed NWI.
- Weight must be given to community engagement with renewed importance placed on seeking out traditional owners and native title holders.
- We encourage and support engagement directly with traditional owners across the many traditional nations in the writing of a reformed NWI both as it pertains to water allocation directly pertaining to first nations rights, but also across all aspects of a reformed NWI in order to be just.

Section 10. Ensuring the integrity of water resource management

- We support the requirement for water system managers to take a risk-based approach. Increased transparent, and publicly available, metering and measuring of surface water and groundwater take is essential to ensure compliance. This must be supported by statutory enforcement systems.

Section 11. Urban water services

No comment

Section 12. Water reforms in rural Australia

- Policy must encourage community resilience to drought as opposed to drought resistance. This better prepares rural communities for the realities of decreased water availability and encourages transparent community partnership and engagement in water planning. Unrealistically optimistic policy that promises to “drought proof” a region should be discouraged due to its highly dangerous nature that often prevents opportunities to diversify water resources.
- Sustainable water management measures that look at recycling water on rural properties must be encouraged through policy that encourages investment to diversify current water assets for sustainability of rural regions.
- We support the inclusion of the guiding principles outlined in the draft.

Section 13. Government investment in major water infrastructure

- The federal government is currently investing taxpayer funds in dams that are not economically viable. It is therefore failing to comply with requirements of the NWI Paragraph 66.
- As government is investing in water infrastructure that causes adverse environmental impacts, they are failing to comply with their obligations under Paragraph 69 of the NWI to ensure that new water infrastructure is ecologically sustainable.
- We support the report’s concern surrounding commitments of public funding prior to publication of a robust business case that ensures projects meet the required cost-benefit and ecological requirements under the NWI. In the case of the Urannah Dam Project the proponent claims the project is feasible through the inclusion of a \$700 million benefit by avoiding construction of the Burdekin Falls Dam to Moranbah Pipeline (BMP). The Department of Natural Resources, Mines & Energy has categorically stated that the BMP has no formal funding proposal. As a result, the project does not meet the *Building Queensland* requirements for Benefit Cost Analysis (BCA). Statutory safeguards must demand withdrawal from unfeasible projects like this Urannah Proposal. At the time of submission this project is still being pursued despite not meeting these basic BCA requirements.
- Funding of \$13 million from the NWIDF has been made available for the Urannah Dam business cases yet the project has failed to meet the most basic requirements of cost-benefit analysis under the NWI & NWIDF [[Buckwell 2020](#)]. There is a risk that this funding will lead to further government investment in an economically unjustifiable project. A reformed NWI must rectify funding mechanisms and safeguard the public from having projects pushed through that are clearly unfeasible. The Productivity Commission must ensure funding is not given to projects that have no bankable business case.
- We support statements that the governments funding of economically & ecologically unfeasible projects has placed great risk to the taxpayer and water user who now risks paying increased water rates as the proponents try to recoup expenses. In the case of the Burdekin Basin groundwater depletion due to dam construction will require many water users to turn to irrigation with consequent increases in the cost of water.

- Alongside the privatisation of water resources in Queensland (though still taxpayer funded) there has been a reduction in community engagement by proponents and reduction in the availability and transparency of processes and information. There is little transparency around future water costs for users such as irrigators. This must be legislated into the proposal process of all projects.
- We agree that Australian and state government infrastructure funding lacks cumulative assessment. In the Burdekin Basin there are four dam proposals as well as additional pipeline and hydro-electricity project proposals. There has been no cumulative assessment done for the basin in order to ensure projects are aligned and meet ecological requirements. Response to this must be met with legislated statutory powers (see chapter 4)
- We support the report's suggestions for diversification. Governments are eager to fund large scale water infrastructure projects, which do not meet the NWI goals. For sustainability of Australia's water resources, NWDIS funding must extend beyond dam projects to also include water sustainability measures that make use of existing water resources and prepare industry and communities for climatic pressures that will reduce water availability in the future. Cumulative impacts must be considered as part of the project assessment and selection process under reformed NWI.
- We support increased specificity and clarification in the NWI for government funding. This will avoid taxpayer funding being directed to economically and ecologically unsustainable projects that do not meet the community's long term water needs.
- We agree that all proposed projects must establish environmental water provisions. This must, as suggested, take into account reduced water resources as a result of climate change and be developed with robust community engagement.
- Economic and environmental sustainability reviews of projects must be undertaken by independent and suitably qualified organisations and peer reviewed to ensure robustness.
- We support a renewed NWI that requires engagement with Traditional Owners of the lands and waters affected by the project (see chapter 9)

Section 14. Community Engagement

- We support the development of a community engagement framework as part of a reformed NWI.
- Engagement must prioritise water information accessibility and literacy as stated in the draft renewal advice. We are concerned about increasing political statements about drought-proofing Queensland. Australia faces greater impacts to our water resources as a result of climate change than any other country. Drought resilience must be the goal which is communicated transparently to communities to ensure water literacy and common goals can be met.

Section 15 Knowledge, capacity & capability building

- We agree that gaps in knowledge have led to poor planning and decision making when it comes to NWI policy and spending. Further funding must be allocated to ensure that data and knowledge gaps are filled to support sustainable water management that adequately understands and plans for reduced water resources in the future, as the result of climate change.
- Policy, planning and spending must be evidence-based and innovative. We support the development of a fit-for-purpose National Water Reform Committee to coordinate

research efforts and ensure a wholistic approach to water planning and management as opposed to the segmented and thus uncoordinated approach we currently have, as discussed in section 13.

Lack of evidence-based decision making and communication with the public also raises huge issues for public water literacy (section 14). As suggested in the renewal advice 15.1, policy makers must make scientifically robust decisions informed by current information. We would go further to say that in order to put an end to the current reckless NWIDF spending, decision makers must reference studies that support their spending choices in order to meet transparency needs and incentivise informed governance.