



# QUEENSLAND FARMERS' FEDERATION

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## Submission

23 April 2018

Commissioners Doolan & Madden  
Murray-Darling Basin Plan: Five-year assessment  
Australian Government Productivity Commission

Via email: [basin.plan@pc.gov.au](mailto:basin.plan@pc.gov.au)

Dear Commissioners

### Re: Murray-Darling Basin Plan: Five-year assessment

The Queensland Farmers' Federation (QFF) is the united voice of intensive agriculture in Queensland. It is a federation that represents the interests of peak state and national agriculture 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 farmers by representing the common interests of our member organisations:

- CANEGROWERS
- Cotton Australia
- Growcom
- Nursery & Garden Industry Queensland (NGIQ)
- Queensland Chicken Growers Association (QCGA)
- Queensland Dairyfarmers' Organisation (QDO)
- Australian Cane Farmers Association (ACFA)
- Flower Association
- Pork Queensland Inc.
- Queensland United Egg Producers (QUEP)
- Bundaberg Regional Irrigators Group (BRIG)
- Burdekin River Irrigation Area Irrigators Ltd (BRIA)
- Central Downs Irrigators Ltd (CDIL)
- Pioneer Valley Water Cooperative Ltd (PV Water)
- Queensland Chicken Meat Council (QCMC).

QFF welcomes the opportunity to provide comment on the Australian Government Productivity Commission's 'Murray-Darling Basin Plan: Five-year assessment inquiry' (the inquiry). QFF provides this submission without prejudice to any additional submission provided by our members or individual farmers.

*The united voice of intensive agriculture*



## Background

The Commission is seeking feedback on its approach to assessing the Basin Plan particularly:

- establishing the arrangements for implementing the Plan (SDLs and Adjustment; constraints management; water recovery; and structural adjustment)
- plan implementation and long-term management (WRPs; compliance; environmental water planning and management; water quality and salinity management; water trading rules; critical human water needs; and monitoring, evaluation and reporting).

The Queensland Government's draft water plan for the Warrego, Paroo, Bulloo and Nebine catchments was accredited by the Commonwealth Government in June 2017. The draft Water Plans for the Condamine-Balonne and the Border Rivers Moonie catchments were released on 11 April 2018 with submissions due on 1 June 2018. QFF has broadly reviewed these draft plans in responding to the issues raised by the Commission.

## Responses

### ***Sustainable Diversion Limits and Adjustments in the Northern Basin - Information Requests 2, 3 and 5***

- *risks that may prevent Basin States from successfully implementing SDL adjustment projects*
- *the extent to which adopting a different definition of 'neutral or improved socio-economic outcomes' for efficiency measures to what is in the Basin Plan would affect the likelihood of projects being delivered on time and on budget*
- *whether there are other novel approaches to recovering water for the environment, such as purchase of entitlement options, that may contribute to Basin Plan outcomes while achieving neutral socioeconomic outcomes.*
- *actions governments should now take to achieve SDLs in the Northern Basin.*
- *the extent to which the Australian Government's strategy to recover water in areas where gaps remain will be cost effective, align with the Basin Plan's environmental objectives, and be transparent*
- *risks to achieving water recovery targets by 1 July 2019 and, where not already addressed under current arrangements, how any shortfalls may be resolved*
- *examples of water recovery (both infrastructure projects and purchases) that have been either well implemented or had major deficiencies, including risks to securing contracted but not yet delivered water from water saving infrastructure projects.*

QFF has supported the Northern Basin Scientific Review from the outset. Three years of investigation has informed the findings of the review to propose a revised SDL of 140GL, made up of a local reduction of 123GL and shared reduction of 17GL. These findings reflect the need to achieve a balance across environmental, economic and cultural outcomes in setting SDL targets. QFF supports the implementation of a toolkit of measures to address environmental outcomes beyond 2019 because economic assessments undertaken as part of the review identified that local economies in the Queensland Murray-Darling Basin (QMDB) would be severely impacted by the planned recovery of water.

There is support for the implementation of toolkit measures, which it is hoped will reduce the impact of water recovery programs on the agriculture sector and the communities that rely on it. However, there has been limited progress on the implementation of these measures because of funding and time constraints since the completion of the review.

QFF submits that alternatives to maximising environmental water flows are needed in the QMDB.

Environmental water which has been recovered in the QMDB is 'held' as entitlements by the Commonwealth Government and managed by the Commonwealth Environmental Water Holder (CEWH). Most of this water is unsupplemented (unregulated) water allocation which can be taken at

specific flows levels. Only a small volume of supplemented (regulated) water allocation is held in both the Condamine-Balonne and Border Rivers plan areas. The availability of this water depends on the availability of water stored in dams managed within water supply schemes. The volumes that can be taken in any year are subject to defined instantaneous, daily, annual and multi-year volumetric limits.

Held environmental water is best used in the QMDB to enhance natural flows of planned environmental water given the ephemeral nature of water courses and wetlands. It is recognised that held water could be used to address localised environmental needs. One example is action taken some years ago to purchase water stored in ring tanks in the Lower Balonne for release to improve seasonal supply for the Narran Lakes. Other opportunities may involve construction of structures to divert water flowing across the floodplains. However, even these localised options are limited and costly unless there is infrastructure that is already in place to allow supplementation or relocation of natural flows.

Cotton Australia's submission highlights the need for a commitment to investigate and implement measures that will complement hydrological solutions. They point particularly to measures which address turbidity, fish, vegetation, macroinvertebrate, and physical form. QFF supports Cotton Australia's conclusions that environmental improvement will only occur when a multi-faceted approach is taken and a range of 'toolkit' and/or 'complementary' measures are implemented. This approach was part of the recommendations from the Northern Basin Review amendments which were rejected by the Senate on 14 February 2018.

There is still significant work to be done to address groundwater issues in the QMDB. Groundwater is highly valued to secure urban and irrigation supply in this area. The Basin Plan requires that 40.5GL be recovered in the Upper Condamine Alluvium (UCA) by 30 June 2019. Since 2014, the Australian Government has only recovered 3.5GL of groundwater licences through open tenders.

QFF and member organisations Central Downs Irrigators Limited and Cotton Australia have been working with the Australian and Queensland governments on a proposal to better manage the required recovery. A voluntary buyback tender, which addresses many of the impediments to the previous buyback programs, has been developed. DAWR opened this tender on Thursday 19 April 2018.

If the Australian Government voluntary water recovery tender process, which closes on 31 July 2018, does not recover the 40.5GL required, the Queensland Government will reduce the nominal entitlement of groundwater licences (excluding town water supply, 's' class licences, schools and licences <5 ML) in the Alluvium to bridge any residual gap to the SDL. This action is evidenced in the Condamine-Balonne draft Water Plan released on 11 April 2018.

In summary, implementing a target SDL of 140GL for surface water and addressing outstanding groundwater issues will be difficult to achieve over the next 10 years, particularly given the significant impacts expected on local communities. QFF is of the view that attention should now focus on implementing catchment plans and recovery measures to achieve surface and ground water targets.

#### ***Structural Adjustment Assistance - Information Request 6***

- *what specific assistance has been provided to help communities adjust to the Basin Plan*
- *the extent to which this assistance has supported particular industries or regions*
- *evidence that this assistance has facilitated adjustment that would not have otherwise occurred and has contributed to meeting the intended outcome of the Basin Plan, including more resilient industries and communities with confidence in their long-term future*
- *whether future structural adjustment assistance is warranted, and if so, what lessons can be learnt from past programs.*

QFF submits that it is difficult for governments to provide effective structural adjustment assistance for communities that have a high degree of dependency on irrigated agriculture and farming systems that

have been developed specifically to address local conditions such as in the Lower Balonne. It also cannot be expected that any measures will have effect in the short term.

QFF cannot respond in detail on items a. to c. However, it is now becoming clear that structural adjustment is unlikely to be effective unless programs address key issues impacting on the irrigation sector in these areas. Water recovery and energy costs are major issues, together with the continued implementation of water reforms including water pricing and water measurement issues.

#### **Water Resource Plans – Information Request 7**

- *the main risks to remaining water plans being finalised and accredited by mid-2019*
- *how, and to what extent, recent measures to make the WRP accreditation process more efficient and streamlined have sped up the preparation of WRPs and whether there are opportunities to further streamline the accreditation process for WRPs*
- *other ways WRPs or associated planning processes (e.g. consultation, modelling inputs) could be changed to better meet the objectives of the Basin Plan*
- *how effective Basin States have been in consulting with all relevant stakeholders*
- *the main risks to planning assumption work being finalised on time.*

As outlined, the Queensland Government's draft Water Plan for the Warrego, Paroo, Bulloo and Nebine catchments was accredited by the Commonwealth Government in June 2017. Draft Water Plans for the Condamine-Balonne and the Border Rivers Moonie catchments were released on 11 April 2017, with submissions due on 1 June 2018. The aim is to have the plans finalised for submission to the Murray Darling Basin Authority in early 2019.

From a brief review, it would appear that the draft plans address the important accreditation tests; i.e. no less protection of environmental water, plans limiting water use at no growth, engagement of Aboriginal peoples and continue monitoring of identified risks. The new science from the Northern Basin Review appears to have been particularly valuable for planning work dealing with environmental economic and cultural issues. QFF recommends that the Commission review the draft plans, giving particular attention to the following features:

1. Technical reports and science underpinning the planning process including hydrologic assessments, environmental assessment reports, socio-economic reports, aboriginal water needs report, long-term watering plans and risk assessments.
2. Key changes and improvements to the plans including definition of social, economic, environmental and cultural outcomes, simpler and targeted environmental flow objectives and water allocation security objectives, measures for metering, monitoring, reporting and unallocated water, unallocated water for Aboriginal and community purposes and new water sharing and trading rules for groundwater.
3. Specific measures to improve transparency and accountability including measurement of overland flow water and measurement of water allocations and groundwater licences, identification of works for taking overland flows in the Granite Belt, annual reports on water use and recording and publication of flow management decisions in the Lower Balonne.

These issues will drive interest in the consultation process which has already begun. However, uncertainty regarding meeting the SDLs is a considerable risk which could delay implementation of the plans. There is no doubt that this will be a significant issue during consultations on the draft plans.

#### **Environmental Water Planning and Management - Information Request 8**

- *how environmental water planning under the Environmental Management Framework is, or is not, facilitating achievement of the Basin Plan's environmental objectives within legislated timeframes, and what improvements should be made.*

- *how effective and efficient the delivery of environmental water is — including through coordination among owners of held environmental water, managers of planned environmental water and other stakeholders — and how any barriers could be reduced*
- *whether Australian and State Government objectives for the delivery of environmental water align, any examples of where this has not been the case, and how differences are resolved through the Environmental Management Framework*
- *the extent to which the Prerequisite Policy Measures (PPMs) assumed to exist under the Basin Plan will be in place by the target date of 30 June 2019, so that the Plan's environmental objectives can be achieved under the SDLs agreed by governments, and how any identified concerns should be addressed*
- *any opportunities to better integrate environmental water planning and management with natural resource management programs and complementary works to facilitate achievement of the Basin Plan's environmental objectives.*

Under the provisions of the *Murray-Darling Basin Plan 2012*, the Queensland Government is required to define annual environmental watering priorities for surface water in each water plan area. These priorities must specify watering priorities for environmental assets and ecosystem functions in accordance with the principles included in the Basin Plan which also assists the MDBA to make decisions about the management and use of Commonwealth and other environmental water holdings.

This process must address the MDBA's Basin-wide environmental watering strategy and take into account the expected availability of 'planned' (rules-based defined in catchment water plans) and 'held' environmental water (entitlement-based held by the CEWH). The annual environmental water priorities must be in accord with the long-term watering plan for each Commonwealth water resource plan area and the Commonwealth-accredited water resource plan when in place.

Queensland's annual environmental watering priorities for the Basin address environmental watering arrangements provided for under the existing QMDB catchment transitional water plans and the Warrego, Paroo, Bulloo and Nebine Water Plan 2016 which has been accredited. These annual priorities aim to protect and if possible restore natural flow regimes to support high value environmental assets and critical ecosystem functions. This approach is similar to that prescribed for the Basin Plan. The transitional plans recognise the need to strike a balance with meeting industry and the community needs for secure and reliable water supplies.

The transitional water plans and in particular the associated resource operations plans define water sharing rules, infrastructure operating rules and flow event management rules. These rules are designed to achieve specific environmental flow objectives at selected nodes within each river catchment to support identified environmental assets and ecosystem functions, while maintaining the performance of consumptive water entitlements. The resource operations plans, like the water plans, have been developed based on scientific investigation and widespread community engagement.

This rules-based approach for the provision of 'planned' environmental water is appropriate for the QMDB catchments which have ephemeral watercourses and wetlands compared with the southern Basin. This significantly limits using in-stream storage infrastructure to regulate flow which makes it difficult provide water on an annual basis to targeted priority environmental assets and ecosystem functions. However, this approach is suited to providing environmental water as part of variable natural flows to meet longer term environmental objectives and outcomes.

The draft Condamine-Balonne and Border Rivers Moonie Water Plans provide for an improved approach to the preparation of Long Term Watering Plans which set objectives, targets and watering requirements for key assets. Key components of the catchment based Long Term Watering Plan are:

- Performance monitoring – ecological monitoring as part of The Environmental Flows Assessment Program.
- Environmental assessment – assets and risks to assets from water delivery and management.

- Water planning – environmental outcomes and targets and environmental strategies and measures.
- Operational rules – Water Management Protocols, Resource Operations Licences and Distribution Operations Licences and monitoring for planned and held environmental water.
- Consideration of Commonwealth Environmental Water Delivery.

Ecological assets are sensitive to flow management across a range of flows. The watering plan addresses the ecological objective and target and environmental watering requirement for specified priority ecological assets and functions and any additional appropriate water plan measures and rules. The plans are supported by a range of technical assessments and 5-year Water Planning Science Plan.

Draft Healthy Water Management Plans developed by the Queensland Government Department of Environment and Science have been released with the draft Condamine-Balonne and Border Rivers Moonie plans to help better coordinate environmental water planning and management with natural resource management programs.

#### **Water Quality and Salinity Management - Information Request 9**

- *any inconsistencies between the various national water quality guidelines and the water quality management plan requirements in WRPs and whether these inconsistencies are being resolved and managed*
- *the adequacy of the actions of water managers to achieve the water quality objectives of the Basin Plan.*

QFF is unable to provide comment on this issue

#### **Water Trading Rules - Information Request 10**

- *whether the Basin Plan trading rules advance the water trading objectives and outcomes stated in chapter 5 of the Plan*
- *whether changes to state trading rules made to date as part of implementation of the Basin Plan adequately recognise and protect the environment and third-party interests*
- *whether implementation of the Basin Plan has improved access to market information and what further actions Basin States, irrigation infrastructure operators or the MDBA might need to take*
- *whether processes for reviewing Basin State trading rules — including the roles of the MDBA and the water trade working group — are sufficiently transparent, evidence based and consultative.*

The Commonwealth Water Act has been amended to allow the CEWH to trade environmental water and make use of the funds for further water acquisitions or environmental activities. This is an important initiative which should allow trading of environmental water not required under some seasonal conditions. It could also provide funding for the implementation of complementary measures. As outlined above, held water entitlements in the QMDB catchment are water allocations which are tradable subject to conditions defined in the transitional water plans and resource operations plans and Basin planning.

The draft Water Plans for the Condamine-Balonne and Border Rivers Moonie include a number of measures that will directly and indirectly improve water trading arrangements in both catchments. In the Border Rivers, tradable water allocations for surface water are to be put in place in the Upper Weir River and the Traprock area near Inglewood and for the Border Rivers Alluvium. Also, area-based licences are to be converted to water allocations in the Stanthorpe area. In the Condamine-Balonne, groundwater licences are to be converted to allocations in a number of the major creeks along the western edge of the Great Dividing Range such as Oakey and Dalrymple Creeks. Groundwater in the range basalts will remain as licences but subject to a cap on any further development. Multiyear accounting arrangements for surface water take in the Border Rivers Moonie will be better defined and



water trading rules for groundwater in the Condamine-Balonne will be improved by clarifying multiyear accounting arrangements and the management of announced entitlements.

QFF has continued to discuss opportunities to improve water market information with the Queensland Government. These discussions focus on the need for a commercial response rather than public investment. It is understood that DNRME is currently investigating opportunities to improve trading arrangements across the state in response to strategic initiatives outlined in the Queensland Bulk Water Opportunities Statement released in 2016.

In addition, draft amendments to the *Water Act 2000* are expected to be introduced to the Parliament to apply a condition in a resource operations licence that will require the water supplier to collect and publish the sale price of each temporary trade. This will apply to the supplemented schemes run by SunWater in the QMDB catchments.

QFF is strongly of the view that trading reforms need to be implemented state-wide to address needs in supplemented and unsupplemented surface and groundwater areas.

#### ***Critical Human Needs - Information Request 11***

- *risks to meeting critical human water needs (CHWN) under the Basin Plan, how the Plan addresses these risks, and what, if any, further measures are required*
- *any concerns about provisions in WRPs relating to CHWN under extreme conditions.*

Arrangements to meet critical human needs have been in place across the state for a considerable time and have been updated to address impacts of climate changes on storages and bulk supply systems.

#### ***Compliance - Information Request 12***

- *risks to the MDBA's ability to monitor and enforce compliance with the Basin Plan and WRPs from July 2019, and what, if any changes should be made to address these risks*
- *the extent to which non compliance with the Basin Plan will be addressed by recent changes to compliance and enforcement announced by governments*
- *any further changes that should be introduced to increase water take compliance across the Basin.*

The Four Corners program "Pumped" in late July 2017 has initiated investigations into compliance, metering and the management of environmental water, particularly on the Barwon-Darling. The Queensland Government is currently undertaking an Independent Audit of Water Measurement and Compliance across Queensland; not just in the QMDB catchments.

QFF supports the conduct of this audit which aims to investigate any limitations of the current management arrangements and to make recommendations regarding improvements that may be necessary. The audit will also contribute to the Australian Government's independent review of the issues raised in the Four Corners program.

The scope of the Queensland inquiry is comprehensive, covering the adequacy of governance and regulation, and metering and measurement required to implement water plans and regulations. Effective management of compliance and water measurement and monitoring technology will also be investigated. Recommendations for improvements is to include estimates of the costs of establishing and operating proposed reforms.

**Monitoring, Evaluation and Reporting - Information Request 13**

- *how well current arrangements for monitoring, evaluation and reporting support the delivery of the objectives of the Basin Plan; and how they could be improved to increase the likelihood of the objectives being met*
- *whether there is a clear delineation of responsibilities for monitoring, evaluating and reporting on the Basin Plan, and, if not, how it could be improved*
- *the usefulness of the MDBA's Framework for Evaluating Progress and its recent application in evaluating the Basin Plan*
- *how data and information obtained through monitoring, evaluation and reporting could be made more useful for decision making and evaluation of the Basin Plan (including how to make this data and information more outcomes focused)*
- *the general information required to provide confidence to communities and others that the Plan is being implemented well and is achieving its objectives*
- *whether processes are in place to monitor key risks to the continued availability of Basin water resources.*

The current transitional water resource plans have defined monitoring, evaluation and reporting arrangements. The process of review and accreditation of QMDB catchment plans will provide the opportunity to improve monitoring, reporting and evaluation having regard to the improved science generated by the Northern Basin Review. It is recommended that the Commission review arrangements in the accredited water plan for the Warrego, Paroo, Bulloo and Nebine catchments. It is understood that this approved framework has been proposed in the draft plans just released for the Condamine-Balonne and Border Rivers Moonie.

**Basin Institutional and Governance Arrangements - Information Request 14**

- *whether current institutional and governance arrangements provide for sufficient oversight of the plan and support engagement with the community*
- *whether there are risks to the achievement of the objectives of the Plan that arise from the current institutional and governance arrangements*
- *what improvements can be made to ensure that institutional and governance arrangements are fit for the next phase of implementing the Plan.*

At this late stage in the Basin planning process, QFF questions the need for additional oversight of the Plan. A community engagement process has begun to address the finalisation of the draft Condamine-Balonne and Border Rivers Moonie Water Plans.

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

Yours sincerely

Travis Tobin  
Chief Executive Officer