



QUEENSLAND
FARMERS'
FEDERATION

Productivity Commission National Water Reform 2024, Interim Report

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Prepared for:

National Water Reform 2024 Productivity Commission

Date prepared:

May 2024

The united voice of
Queensland agriculture

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This submission is provided to:

National Water Reform 2024 Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Submitted via www.pc.gov.au/inquiries/current/water-reform-2024

Our members

- Canegrowers
- Cotton Australia
- Queensland Fruit & Vegetable Growers
- Nursery & Garden Industry Queensland
- eastAUSmilk
- Australian Cane Farmers Association
- Queensland United Egg Producers
- Turf Queensland
- Queensland Chicken Meat Council
- Pork Queensland
- Bundaberg Regional Irrigators Group
- Burdekin River Irrigation Area
- Central Downs Irrigators Ltd
- Fairburn Irrigation Network
- Mallowa Irrigation
- Pioneer Valley Water Co-operative Ltd
- Theodore Water Pty Ltd
- Eton Irrigation
- Queensland Oyster Growers Association
- Lockyer Water Users Forum

About the Queensland Farmers' Federation



The Queensland Farmers' Federation (QFF) is the united voice of agriculture in Queensland.

We are a member-based organisation representing the interests of peak agriculture industry organisations, both state and national. Through our members QFF represents more than 13,000 primary producers across the cotton, sugarcane, horticulture, dairy, nursery and garden, poultry, eggs, pork, and intensive animal industries.

We unite the sector to engage in a broad range of economic, social, environmental, and regional issues through advocacy, policy development, and project activity. We work with the government of the day on behalf of industry, farmers, and the community to provide powerful representation and contribution to the policy direction, sustainability, and future growth of Queensland's agriculture sector.

Our Council of member representatives and policy committees set the strategic priorities for policy development and advocacy, while our Executive Board ensures our corporate governance.

QFF draws on the expertise and industry knowledge of our members and through our commitment to collaboration and considered policy development, we lead Queensland's agriculture sector towards a strong future, ensuring our members are ahead of the game and have a voice at the table on the issues that matter to their members.

Submission

QFF welcomes the opportunity to provide comment on the Australian Government's Productivity Commission National Water Reform 2024, Interim Report.

We provide this submission without prejudice to any additional submission from our members or individual farmers.

Overview

The scope for the Productivity Commission National Water Reform 2024, Interim Report is to assess the progress toward achieving the initial objectives and outcomes of the 2004 National Water Initiative and to provide recommendations. Further:

'In addition to the requirements in the Water Act, the scope of the inquiry should examine whether the national water reforms agreed in the NWI (National Water Initiative), along with any other subsequent national water reforms collectively adopted by Australian governments, are achieving their intended outcomes.¹

QFF on behalf of its members, will highlight the key points that require inclusion and further investigation as part of the reform process.

¹ [Interim report - National Water Reform 2024 \(pc.gov.au\)](https://www.pc.gov.au/reports/interim/nwri)

Key points

1. Governance for a renewed national approach to water reform

There has been ongoing reform in the water sector for many years. However there has been numerous challenges with attempting to consolidate issues due to the varying uses of water and various impacts of climate change. QFF supports the development of strengthened governance that reflects National water policy leadership, with more accountability within state governments that aligns with water reform principles needs to be promoted and improved. The NWI is responsible for a lot of good governance in Queensland, however Queensland does not reliably implement recommendations of the NWI that would otherwise help contribute to a faster and more comprehensive process of water policy governance between different government departments.

A national approach to water reform started in 1994 through the landmark COAG water reform framework and has continued through subsequent initiatives such as the NWI (2004), Commonwealth Water Act 2007 (the Act) and Murray-Darling Basin Plan 2012. The Australian Government has committed to renew the NWI. This inquiry provides an opportunity for the Commission to examine in more detail the issue of water security, as a key driver of national water reform.²

QFF would like to note that our key areas remain as per our submission on the National Water Reform 2020, Productivity Commission Draft Report (February 2021).³

- Identifying gaps in the water policy framework which incorporate climate change challenges and as such also acknowledges that policies do not cause adverse impacts for the future of the food, fibre, and foliage sector.
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- Greater water resource opportunities need to be encapsulated under the Water Reform, which currently do not acknowledge the beneficial use of water from the CSG industry, which is regulated under the Environmental Protection Act 1994, and does not vary the requirements of the Water Act 2000.
- The disconnect between state and federal governments is affecting investment in new water Infrastructure that needs to be fixed.
- Governance that reflects National water policy leadership, with more accountability within state governments that align with water reform principles needs to be promoted and strengthened.
- Water measurement requires a greater evidence-based approach.
- Identifying indigenous cultural values and objectives under the current water reform, seeks to identify a greater understanding of cultural water and that new policy affecting indigenous people would be negotiated prior to implementation.

² [Interim report - National Water Reform 2024 \(pc.gov.au\)](#)

³ [20210324-QFF-Submission-to-PC-National-Water-Reform-2020-Productivity-Commission-Draft-Report-Feb-2021-WEB.pdf](#)

2. First Nation's water interests

The National Water Initiative (NWI) and Queensland's legislation acknowledge the intersection of climate change and indigenous water concerns. QFF advocates for integrating cultural water considerations into the NWI, aligning with environmental goals. It emphasizes sourcing water for economic purposes through market mechanisms while utilizing cultural water in harmony with environmental priorities.

Recognising indigenous cultural values and objectives within current water reform endeavours to foster a deeper understanding of cultural water, with new policies involving indigenous communities subject to negotiation. This entails indigenous responsibilities regarding water-related commitments, encompassing cultural, spiritual, physical, and economic ties to their land and waters, as proposed by the Australian Government and Coalition Peaks in 2020.

QFF supports the transparency outlined in the National Water Reform Draft Report 2020, advocating for governments to publicly report on water allocations for economic development and the resulting outcomes for Traditional Owners. Furthermore, establishing a clear and measurable policy approach, particularly concerning the value of water for various users including environmental governance, is deemed crucial.

While prioritizing First Nation perspectives is important, they should not supersede other stakeholder interests. Government action to clarify the implications of enhancing indigenous water involvement early on is paramount. For instance, clarifying that legally granted entitlements extinguish native title claims on water extraction rights could alleviate tensions during NWI renewal discussions. It is emphasized that additional water for indigenous interests should be acquired through market mechanisms, existing reserves, or unallocated water, without compromising reliability for current entitlement holders.

3. Water security in a changing climate

Acknowledging the impact of climate change on water sharing and resources is crucial. Existing plans already incorporate climate change considerations by flexibly allocating water based on availability, which varies with seasons. However, stakeholders must recognize that lower reliability water entitlement holders bear the brunt of climate risks. Embracing this truth would foster more constructive debate moving forward.

The Queensland Farmers Federation (QFF) acknowledges the imminent impacts of climate change and the pressing need for enhanced infrastructure to meet evolving demands. Concerns arise from ongoing water reform processes, noting several major water infrastructure projects failing to meet National Water Initiative (NWI) requirements or adequately justify their future economic viability.

Therefore, the establishment of the National Water Grid Authority is pivotal, particularly for Australian Government-funded projects aimed at bolstering water security in primary industries. Removing this safeguard risks diminishing funding for regions requiring new water infrastructure and exacerbating compliance issues. A renewed NWI must entail stringent scrutiny of projects under the National Water Infrastructure Development Fund (NWIDF), ensuring alignment with projected growth and future water use in the irrigated sector while fostering the economic sustainability of rural communities.

4. Water entitlements and planning frameworks

The Productivity Commission's National Water Reform Interim Report for 2024 serves as a critical examination of Australia's water entitlements and planning frameworks. It underscores the imperative for robust, adaptive systems that can effectively manage water resources amidst evolving climatic conditions and competing demands.

Addressing water entitlements and planning frameworks is paramount in ensuring sustainable and equitable access to water for all stakeholders, including agriculture, industry, and the environment. The report's insights provide a valuable opportunity to refine existing policies and mechanisms, fostering resilience and efficiency in water management practices nationwide. By embracing the recommendations outlined in the interim report, Australia can chart a course towards a more secure and equitable water future for generations to come.

5. Water markets and trading

Since its inception in 2004, the National Water Initiative (NWI) has significantly advanced the integration of environmental sustainability across water use sectors, including agriculture, water planning, and accounting, thereby elevating the value of water. The national water reforms have laid a foundation for efficient and sustainable resource management through the establishment of water planning and entitlement frameworks. Water trading and markets play a crucial role in irrigated sector businesses, prompting the creation of separate water entitlements from land ownership.

This separation offers landholders greater certainty amidst fluctuating market conditions and enhances flexibility in their operations. Over the years, governments have increasingly prioritized water efficiency programs and enacted legislation, resulting in ongoing improvements to river systems for healthier waterways. However, the report highlights the need for strengthened intergovernmental relationships to ensure alignment with NWI principles, particularly in regions where differing state or territorial management practices can impact water entitlements.

Queensland Farmers Federation (QFF) represents diverse irrigated agricultural schemes across Queensland, each with unique characteristics. Consequently, a one-size-fits-all policy or accounting approach is not feasible. This diversity must be recognized in future climate change policy development within water reform initiatives.

6. Water resource accounts

QFF advocates for the enhancement of a tailored framework for water resource management within a renewed NWI. This framework should not only weigh the anticipated costs and benefits of various actions but also pinpoint 'at-risk' water, highlighting the trade-offs between consumptive users and environmental needs. Identifying regions susceptible to depletion, whether through overallocation or heightened development, is crucial for ensuring the sustainable use of water for irrigation and guiding future infrastructure endeavours.

Recognizing water's complexity in management, especially in the face of frequent droughts and floods, underscores the necessity of continued collaboration with state and territory governments to advance water reform. This partnership is indispensable for ensuring the sustainable stewardship of water resources and the environment. While scientific evidence outlines the impending impacts of

climate change, including prolonged droughts and intense rainfall events, its integration into government policy remains incomplete.

The 2020 Water Reform Draft Report projected a drier future for the nation overall yet acknowledges the need for a nuanced state-level approach that aligns with NWI principles but accounts for regional variability.⁴

The fluctuation in climate will have a considerable impact on water management and allocation, especially in Queensland. The state's varied climate patterns, influenced by its geographical position near the equator, will significantly affect its agriculture and horticulture industries. Despite being highlighted in discussions since the 2020 Water Reform Draft Report, with no concrete commitments made, this current report appears merely as a formality, offering no substantial progress to assist the agriculture sector in strategic planning for the future.

7. Water metering and measurement

QFF in support of Cotton Australia, note that while acknowledging the efforts of irrigators who have navigated the challenges of complying with the AS4747 metering requirements, there arises a necessity to reassess the relevance of this standard. In certain instances, adherence to AS4747 appears not only cost-prohibitive but also impractical, as some meters meeting the criteria struggle to function effectively in the Australian context.

Despite meeting the primary requirements of accuracy to within +-5%, incorporating a data logger, and offering telemetry capabilities, these meters have faced accreditation challenges, particularly in accurately measuring potable water. However, they demonstrate sufficient capability in environments typical of Australian river water, containing soil particles, for instance.

Moreover, these meters have demonstrated resilience to the rigors of the Australian environment. While AS4747 metering may have seemed prudent initially, it has proven to be prohibitively expensive, lacking tangible benefits, and often unsustainable in operation within the Australian context.

Summary

In envisioning the future of water sustainability, it's imperative to broaden the scope of water resource opportunities within the framework of Water Reform. For instance, the utilization of water from the Coal Seam Gas (CSG) industry, governed by the Environmental Protection Act 1994 but not altering the mandates of the Water Act 2000, presents a promising avenue. A renewed NWI should address alternative water sources, including the beneficial use of CSG water in agriculture. Therefore, QFF advocates for its protection.

The absence of comprehensive drought and flood planning in Queensland can lead to water supply inadequacies. Hence, it's vital to integrate climate change adaptation and mitigation strategies into all facets of water planning and future policy frameworks. Identifying regions particularly vulnerable to heightened droughts and floods will enable evidence-based allocation of infrastructure funding, thereby mitigating climate change impacts and enhancing water security in agriculture.

⁴ [20210324-QFF-Submission-to-PC-National-Water-Reform-2020-Productivity-Commission-Draft-Report-Feb-2021-WEB.pdf](#)

The water policy framework needs to address the challenges posed by climate change while ensuring that policies do not harm the food, fibre, and foliage sectors. Improved coordination between state and federal governments is essential, not just for ensuring transparency in future funding but also for facilitating the efficient implementation of new water infrastructure projects aimed at enhancing future water security. QFF acknowledges that for the NWI to effectively help drive the agricultural sector forward, it requires a strong evidence-based policy approach. This approach should be grounded in scientific evidence and objective data, while also recognizing the diverse requirements of water end-users.

If you have any queries about this submission, please do not hesitate to contact Ms Sharon McIntosh

Yours sincerely

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