

**Queensland submission on the
Murray–Darling Basin Plan: Five-year assessment
Conducted by the Productivity Commission
May 2018**

Summary

The Queensland Government:

- a. Supports the Murray–Darling Basin Plan and is committed to working with all relevant jurisdictions to implement the plan on time and in full.
- b. Has delivered the first water resource plan (WRP) to be accredited in the Basin and is on track to deliver the remaining WRPs for accreditation in early 2019 with the release of draft water plans (the key component of the WRPs) in April 2018.
- c. Continues to support the review of the water recovery targets in the Northern Basin based on sound science and is willing to work closely with Basin governments on a future amendment to the Basin Plan to achieve the Northern Basin Review recommendations.
- d. Will continue to support the Australian Government’s efforts to achieve the water recovery targets in Queensland and requests that the Commonwealth provide further support and structural adjustment for impacted communities e.g. St George and Dirranbandi.
- e. Treats matters of compliance seriously, and expects its approach to water measurement and compliance of non-urban water will be outlined at the next meeting of the Murray–Darling Basin Ministerial Council.
- f. Supports a fit-for-purpose approach to implementing the Basin Plan requirements, particularly in Queensland’s unregulated streams and ‘boom-bust’ streamflow conditions.
- g. Advocates for a reduction in regulatory and bureaucratic burden and duplication.
- h. Calls for Commonwealth funding to support implementation of Toolkit Measures in the northern basin, economic adjustment for impacted regional communities, metering and water management systems.

Information Request 1 — The Commission’s assessment approach

The Commission welcomes feedback on its approach to assessing the Basin Plan.

The Queensland Government supports the Commission’s approach to assess required actions, targets and processes (including governance arrangements) as outlined in the Issues Paper.

Queensland acknowledges that the intended outcome of the Basin Plan is difficult to measure at this point before implementation has been completed.

See also Information Request 13 about realigning the timeframes for Basin Plan evaluation and reporting.

Information Request 2 — Sustainable diversion limits (SDL) and adjustments

Not applicable to Queensland

Information Request 3 — Northern Basin Review

The Commission is seeking information on actions governments should now take to achieve SDLs in the Northern Basin.

The Queensland Government is disappointed by the Senate's disallowance on 14 February 2018 of the Basin Plan Amendment which sought to deliver the Northern Basin Review recommendations.

The disallowance followed support for the amendment by all members of the Murray–Darling Basin Ministerial Council at its meeting on 16 June 2017 and after confirmation of the limited impacts on inflows to the southern basin system.

The Queensland Government continues to support the review of the water reduction targets in the Northern Basin based on good science and is willing to work closely with Basin governments on future amendments to the Basin Plan to achieve the Northern Basin Review recommendations in full.

The Queensland Government would support a new Commonwealth process to amend the Basin Plan to implement the recommendations of the Northern Basin Review to rebalance the environmental and socioeconomic outcomes and to provide flexibility for the distribution of the shared reduction amount across the Queensland catchments.

See also Information Requests 5 and 6 about water recovery volumes and structural adjustment.

The key implications of the disallowance are:

- There is now an increased volume of surface water to be recovered in Queensland by the Commonwealth;
- There is increased risk that the Commonwealth surface water recovery target may not be achieved by the due date of 30 June 2019 as there are no current tender processes for buyback or the Healthy Headwaters Water Use Efficiency (HHWUE) program;
- The remaining water recovery may only be achieved by buyback, causing increased negative impacts to regional economies including the distressed Queensland communities of St George and Dirranbandi;
- Important opportunities to improve progress towards achieving Basin Plan's environmental, community and Aboriginal outcomes are not currently being implemented as the proposed Toolkit measures are unfunded by the Commonwealth; and
- The extra water recovered in the Warrego, Nebine and Moonie catchments may not count toward Queensland's shared reduction amount.

Information Request 4 — Constraints management

Not applicable to Queensland

Information Request 5 — Recovery of water for the environment

The Commission is seeking information on:

- a. *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*
- b. *risks to achieving water recovery targets by 1 July 2019 and, where not already addressed under current arrangements, how any shortfalls may be resolved*
- c. *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.*

Under the current Basin Plan, the recovery target in the Queensland Murray–Darling catchments is approximately 175 gigalitres (GL) of surface water and approximately 40 GL of groundwater. Surface water recovery comprises 117 GL of local catchment targets and 59 GL of shared downstream target.

As reported by the Commonwealth Department of Agriculture and Water Resources (DAWR) as at 31 December 2017, progress towards surface water recovery in the Condamine Balonne, Border, Moonie and Warrego rivers totals approximately 128.4 GL; this is comprised of 20.3 GL from on-farm infrastructure investment under the HHWUE program; 15.0 GL gifted by Queensland and 93.2 GL recovered by the Commonwealth through direct purchase of entitlements.

Assuming the default apportionment of the downstream shared targets, the remaining recovery volumes are 53.8 GL in the Condamine-Balonne, and 9.2 GL in the Border Rivers catchment (noting that the Warrego is currently recovered in excess of its local target by 12.1 GL).

Regarding groundwater, the disallowance motion does not impact the recovery target of approximately 38 GL in the Central Condamine Alluvium area where DAWR and key industry groups are developing a two-phase water recovery approach. DAWR commenced phase one in April 2018 by commencing a tender process for buyback in the Central Condamine Alluvium area, phase two water recovery is expected to occur in mid-2019 when the balance of recovery is achieved via Queensland's planning framework. Key issues include:

- Responsibility for water recovery rests with the Commonwealth government who are the decision-maker through both infrastructure and direct purchase of what entitlements will be sought and purchased, what locations these entitlements are able to be recovered from and the maximum price to be paid.
- The key water recovery issue in Queensland for surface water is the current lack of a formal water recovery program through either direct purchase or through infrastructure. The HHWUE program has completed running tender rounds for new projects and therefore will not recover any water additional to that already approved by the Commonwealth.
- The Commonwealth direct entitlement purchase (buyback) program has not been materially active since early 2017. Although it is noted that in mid and late 2017 the Commonwealth completed two large purchases through unsolicited bids in the Warrego and Condamine–Balonne catchments. In the absence of recovery programs the surface water recovery target cannot be met by 1 July 2019.
- The Northern Basin Review recommended a reduction in the northern recovery target from 390 GL to 320 GL on a range of provisos. One key proviso was the need to implement a targeted water recovery strategy. Queensland has supported this recommendation.

- The Commonwealth water recovery processes have been run through open tenders, for both direct purchase and infrastructure programs, on the majority of occasions, exceptions being recent unsolicited purchases.
- While this approach is standard in terms of cost effectiveness and transparency, it may not be as effective at achieving the environmental objectives of the Basin Plan. It is acknowledged that there is a level of inconsistency between seeking to be cost effective but also more targeted. In the Queensland context, being more targeted is likely to significantly reduce the target market for water recovery, therefore leading to higher prices for water recovery. On the other hand, while a higher price may be paid, if it is targeted towards environmental benefit it is more cost effective at achieving outcomes, more targeted and transparent.
- The production of an updated water recovery strategy that sets out the rationale is likely to be a key step to achieving the three objectives of cost effectiveness, transparency and environmental benefit.

Information Request 6 — Structural adjustment assistance

The Commission is seeking information on:

- 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.*

The Regional Economic Diversification Programme (REDP) is a Commonwealth funded program to support the economic base of regional communities likely to be affected by the implementation of the Murray-Darling Basin Plan. Queensland was allocated \$15.055 million between November 2014 to 30 June 2017 to undertake eight projects aimed at supporting regional communities with structural adjustment and regional economic diversification. The funded projects include:

- Investment attraction and economic diversification within the Queensland Murray-Darling Basin.
- Economic diversification of existing businesses in the Balonne and Goondiwindi region through participation in major project supply chain opportunities within the resources sectors.
- Economic development and tourism diversification through building drive-tourism visitation and length of stay infrastructure.
- Building stronger rural communities through local workforce development to connect agriculture and resource sectors.
- High value horticulture chains in the Queensland Murray–Darling Basin.
- Improved economic productivity from irrigated agriculture in Queensland Murray Darling Basin.

- “Our rivers, our future, our culture”, a project being run by the Balonne Shire Council that will combine new infrastructure with existing cultural bodies to produce new products and tourism packages whilst also developing sustainable cultural business enterprises and employment opportunities.
- Construction of 250km of wild dog exclusion fencing across the Lower Balonne Shire, targeting landholders in key strategic areas, around the communities of St George and Dirranbandi.
- Appointment of an Economic Development Officer for a three year contract period to implement the Balonne Shire’s Economic Development Plan.
- Appointment of a Grants Officer for a three year contract period to maximise grant funding both for Balonne Shire, as well as broader community groups.
- Extend on successes of previous business mentoring program and create a legacy by empowering local business groups to provide ongoing peer support for businesses.
- Installation of garden, footpath and street furniture in the Dirranbandi Rail and River precinct.
- Redevelop the St George CBD and river foreshore to boost amenity, safety and function for business owners, residents and visitors.
- Installation of recreation and caravan accommodation facilities to attract overnight stays by passing tourists.
- Installation of kerb and channelling in St George to improve stormwater management, motorist safety and resident and town amenity and beautification.
- Provide irrigators with a tool to allow them to assess the overall cost/benefit of a pressurised irrigation system to their business.
- Installation of water storage and filtration to provide safe water to the community of Bungunya.
- Undertake a multi-task study to investigate the practicality of aquifer injection to maximise the value to agriculture of utilising treated CSG produced water and other treated water.
- Further investigation of horticultural crops with the potential to generate higher returns, working with key stakeholders, developing new export markets, understanding what investors are in the market for and providing
- Direct financial support for irrigators.

As part of its response to the Northern Basin Review, the Queensland Government has called on the Commonwealth to provide further structural adjustment funding for the regional communities most affected by water recovery through the implementation of the Basin Plan including Dirranbandi and St George.

Information Request 7 — Water Resource Plans

The Commission is seeking information on:

- a. the main risks to remaining WRPs being finalised and accredited by mid-2019*

- b. *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*
- c. *other ways WRPs or associated planning processes (e.g. consultation, modelling inputs) could be changed to better meet the objectives of the Basin Plan*
- d. *how effective Basin States have been in consulting with all relevant stakeholders*
- e. *the main risks to planning assumption work being finalised on time.*

The Queensland Government is proud to have delivered the first WRP to be accredited in the Basin. The Warrego–Paroo–Nebine WRP was accredited on 15 June 2017 and is so far the only accredited WRP.

Queensland has contributed to improving and streamlining the WRP assessment process, to the benefit of all the Basin states. This was achieved through a review of the assessment process for the Warrego-Paroo-Nebine WRP in conjunction with the MDBA. Queensland is advocating for a practical application of a risk-based approach to planning and management including assessment and accreditation.

The remaining Queensland basin catchments WRPs for the Condamine–Balonne, Border Rivers–Moonie plan areas are on track to be completed by early 2019. Queensland statutory instruments are the key components of the WRPs and the draft plans and supporting documents were released on 11 April 2018 for public submissions. Consultation with water users, local communities and peak bodies will be occurring during April and May 2018. Key issues include:

- The main risk to finalising the remaining WRPs is the assessment process by MDBA. Their interpretation of what is required to meet the Basin Plan requirements is often too legalistic and not fit-for-purpose. This results in a significant amount of time spent preparing and explaining details that are of no material benefit to the management of the basin’s water resources and are low risk to achieving the Basin Plan objectives.
- Since the Warrego–Paroo–Nebine WRP was finalised, MDBA has made good progress to develop a streamlining process and prepare planning tools e.g. comprehensive Position Statements and streamlined assessment criteria. These tools and the knowledge gained from the accreditation process for the Warrego–Paroo–Nebine WRP are expected to reduce the time taken for the remaining WRPs.
- Further streamlining and efficiencies could be made by taking a more risk-based approach to assessing whether WRP meets the Basin Plan requirements. Given the limited time and resources to meet the mid-2019 milestone, the most effort should be spent on those Basin Plan requirements that are of material benefit to achieving the Basin Plan’s objectives. An alternate approach could be to accredit a state’s planning process in place of many of the duplicative WRP requirements in the Basin Plan.
- As the WRPs comprise many instruments and texts, there is a need to streamline the process to maintain accreditation of the WRPs when, in the future, non-material changes are made to any of the WRP components. For example, since the Warrego–Paroo–Nebine WRP was accredited, the *Water Act 2000* (Qld) has been amended to change the planning process and instruments, including transitioning the statutory instruments. It should not be necessary to re-accredit the WRP as it does not lead to an improvement in how the Basin Plan outcomes are achieved. Re-accreditation requirements need to be configured to maximise efficiency of

process and minimise effort taken from managing the WRPs, given the number of jurisdictions and instruments from each that comprise Commonwealth WRPs.

- The process for evaluating the WRP at the end of its term should be streamlined. If in ten years' time, the WRP is reviewed and it is found the risk profile has not changed, then the WRP accreditation should be extended for a further ten years.
- Queensland consults on water planning instruments under state legislation, rather than on the WRP. For the Condamine–Balonne and Border River–Moonie, there has been targeted consultation with water users (including the Commonwealth Environmental Water Holder (CEWH)) on developing rules and management arrangements as well as comprehensive engagement with Aboriginal peoples in the plan area. Consultation on the draft plans will be held across the plan areas and briefings with peak bodies and New South Wales.
- Queensland is providing interim information to the MDBA on the planning assumptions. This work is expected to be finalised by the end of 2018 when the surface water hydrology models are finalised. As Queensland uses a 'full entitlement' modelling approach, any changes in the value of water recovered for the environment are due to improved flow data (e.g. from new streamflow gauging stations) and improved techniques to represent water entitlements, and not due to water utilisation factors. The interim information indicates only minimal changes to the value of the water recovered in the Condamine–Balonne and Border Rivers catchments where the majority of held environmental water is located.

Information Request 8 — Environmental water planning and management

The Commission is seeking information on:

- a. 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.*
- b. 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*
- c. 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*
- d. 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*
- e. 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.*

Catchments in the Queensland Murray–Darling Basin are characterised by high variability in natural streamflow (i.e. boom-bust streamflow conditions) and low levels of public water infrastructure. Water is predominantly unregulated, i.e. managed by limiting access to instream flows, rather than controlling releases from a dam.

All of the held environmental water in Queensland is owned by the CEWH. The majority of the CEWH water is unregulated and is typically not actively managed or extracted. Elsewhere, Queensland's statutory water plans provide water for the environment through a rules based-approach, i.e. planned environmental water. As such, there are limited opportunities to actively manage environmental water on a day-to-day basis to optimise environmental outcomes.

The Basin Plan's Environmental Management Framework (in particular the Basin Wide Environmental Watering Strategy and Annual Environmental Watering Priorities) is focussed on more active management of environmental water in regulated systems to achieve specific environmental objectives. However Queensland has its own robust water planning framework, developed to suit unregulated catchments and based on sound environmental science.

Whilst there is a difference in approach between the Basin Plan Environmental Management Framework and the Queensland model, the Queensland framework is consistent with the intent of the Basin Plan Environmental Management Framework. This consistency was demonstrated in the successful accreditation of the Warrego-Paroo-Nebine WRP, a highly unregulated Queensland catchment. It is important that the Basin Plan Environmental Management Framework continues to be applied in a streamlined and adaptable manner to ensure its relevance to regulated and unregulated catchments.

Key issues regarding the delivery of environmental water are:

- The CEWH is the only owner of held environmental water in Queensland. Her office consults regularly with Queensland on priorities for environmental watering, and this approach ensures that the environmental water can be managed effectively within the bounds of the Queensland water planning framework and operational realities.
- In Queensland, the location and type of environmental water that is purchased has a significant impact on the effectiveness and efficiency of delivery of environmental water. The further the entitlement is located from the environmental asset, the less effective it is at achieving desired environmental outcomes. This can be significantly mitigated by strategically purchasing entitlements near to the environmental asset (as was recommended in the Northern Basin Review). This may require changes to the Commonwealth's purchasing strategy, including more targeted approaches to potential tenderers.
- The vast majority of CEWH water in Queensland is currently protected by management rules that announce the access to water harvesting events including in the Lower Balonne (unregulated entitlements) and the Border Rivers (unregulated and regulated entitlements). The rules prevent the growth of access to the remaining water users as the Commonwealth acquires water for the environment.
- Queensland is introducing new arrangements for the protection of held environmental water through the Lower Balonne water management area which will assist in improving the efficiency of delivery and will allow water recovered upstream of Beardmore Dam to also be protected through the Lower Balonne.
- To achieve the same level of protection in other unregulated areas outside of the Lower Balonne would require significant and ongoing investment, far exceeding the cost of the water. Strategic purchasing of water is a far more efficient means of maximising the effectiveness of environmental water, and should be prioritised above changes to water management.

Regarding the alignment of Australian and State Government objectives, the Basin Environmental Watering Strategy is being reviewed and potentially revised by 2019. Given that states are currently preparing Long Term Watering Plans which must also be finalised by 2019, the extent to which the review of the Basin Environmental Watering Strategy can realistically inform Long Term Watering Plans should be considered.

Key issues regarding natural resource management programs include:

- The toolkit measures proposed by the Northern Basin Review offer a valuable opportunity to integrate environmental water planning and management with natural resource management, and should be pursued as a priority.
- The implementation of the proposed toolkit measures is conditional on the Basin Plan being amended according to the recommendations in the Northern Basin Review.
- The proposed toolkit measures include, among other things, targeted water recovery, protection of environmental flows, coordinated delivery and active management of environmental water entitlements, construction of new fishways and addressing cold water pollution issues through improved dam operations.

Also note that PPMs are not applicable in Queensland as there are no Sustainable Diversion Limit Adjustment Mechanism projects in Queensland

Information Request 9 — Water quality and salinity management

The Commission is seeking information on:

- a. 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.*
- b. The adequacy of the actions of water managers to achieve the water quality objectives of the Basin Plan.*

Key issues regarding inconsistencies are:

- The water quality targets under the Basin Plan 2012 were developed for a broad spatial scale that does not reflect the variation in local water quality.
- Chapter 10 Part 7 of the Basin Plan (Section 10.32 (4)) allows a Water Quality Management Plan to specify alternative water quality target values if they meet a number of criteria, including consistency with national guidelines.
- For the water quality management plans developed for the Queensland Murray–Darling Basin, local water quality target values for fresh water-dependent ecosystems were objectively developed under the frameworks outlined in the Australian and New Zealand Guidelines for Fresh and Marine Water Quality (ANZECC, 2000 as updated) and the Environmental Protection (Water) Policy 2009 (Qld).
- Water quality target values for irrigation water, recreation water and water for human consumption are based on relevant national water quality guidelines, including National Health and Medical Research Council Guidelines for managing risks in recreational water, ANZECC water quality guidelines, and the Australian Drinking Water Guidelines (NHMRC, 2011, as amended).

Key issues regarding achieving water quality objectives are:

- The water quality objectives for basin water resources are specified in Chapter 9, Part 3 of the Basin Plan, and, in turn, have been reflected in Queensland’s Water Quality Management (WQM) Plans throughout their preparation.
- Under section 10.33 of the Basin Plan, a WQM Plan must specify measures to be undertaken in, or in relation to, the water resources of the WRP area that contribute to achieving the water quality objectives.
- Queensland has specified measures in the Warrego–Paroo–Nebine WRP that was accredited under the Basin Plan on 15 June 2017. These measures, or actions, were designed to be fit for purpose for the plan area and underpinned by a water quality risk assessment to focus action on the key issues in the catchments. This plan is now in its implementation phase and performance will be assessed through the annual and five-yearly evaluation and reporting requirements.
- The Department of Environment and Science is currently drafting measures to achieve objectives in the Border Rivers–Moonie and Condamine–Balonne plan areas as part of the preparation of WQM Plans for these plan areas, which are due for accreditation by 30 June 2019.

Information Request 10 — Water trading rules

The Commission is seeking information on:

- a. Whether the Basin Plan trading rules advance the water trading objectives and outcomes stated in chapter 5 of the Plan*
- b. Whether changes to state trading rules made to date as part of the implementation of the Basin Plan adequately recognise and protect the environment and third party interests*
- c. 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*
- d. 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 only Queensland trade rule that has required amending for compliance with Basin Plan implementation was undertaken in accordance with the water planning process under the *Water Act 2000* (Qld). This Act provides a framework for advancing the sustainable management of water, including arrangements for providing water for the environment and measures to achieve stated water security objectives.

For the draft water plans for the Condamine–Balonne and Border Rivers–Moonie, the trade rule for a change of location onto a waterhole has been amended to no longer require landholder consent when moving on to a waterhole. Water allocations (permanent entitlement) moving on to a waterhole must state a flow condition ensuring that the waterhole cannot be drawn down. This change ensures compliance with the Basin Plan regarding environmental protection and non-

discriminatory trade while preventing negative environmental impacts on the ability of waterholes to act as critical refugia during dry periods. The water plans are due to be finalised in early 2019.

The additional water information access provided by the MDBA under the Basin Plan is minor compared to what is currently available in Queensland. This further information has not led to any demands for such information in non-MDB areas of the state. The majority of Queensland's water market operates outside of the Murray–Darling Basin. Any actions taken to improve access to market information occur within a framework of meeting state-wide interests, and are not solely determined on the basis of Basin Plan requirements.

Regarding further actions being taken to improve access to market information, the Mineral, Water and Other Legislation Amendment Bill 2018 introduced into Queensland's Parliament contains provisions that enable the implementation of sale price disclosure for temporary water trade. In support of good information flows in the water market, the Department of Natural Resources, Mines and Energy (DNRME) will continue to work towards improved water information for market participants, including in collaboration with other jurisdictions and the Murray–Darling Basin Authority.

INFORMATION REQUEST 11 — Critical human water needs

Not applicable to Queensland (only relevant to the River Murray)

INFORMATION REQUEST 12 — Compliance

The Commission is seeking information on:

- a. 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*
- b. the extent to which non-compliance with the Basin Plan will be addressed by recent changes to compliance and enforcement announced by governments*
- c. any further changes that should be introduced to increase water take compliance across the Basin.*

The Queensland Government supports the decision to develop a Basin Compliance Compact to develop a framework for improving compliance into the future. A key outcome for the compact will be to clearly delineate the roles and responsibilities of jurisdictions and associated reporting responsibilities. It is expected that Queensland's approach to water measurement and compliance of non-urban water will be outlined at the next meeting of the Murray–Darling Basin Ministerial Council (8 June 2018).

Key issues about compliance risks include:

- Clearer delineation between the state jurisdictions and MDBA compliance responsibilities are needed. A risk to the current approach remains that there are multiple 'authorities' regulating the same operations. This leads to issues and risks of inconsistency in approach,

as there are different rules and compliance tools across the basin to respond to similar offending.

- Noting that all governments have limited resources, there are risks around the compliance response not being fit-for-purpose if a single whole-of-basin approach is taken. Commitments or targets in the compact need to be considered in light of competing priorities. For example, the basin-wide adoption of a strict 'no meter, no-pump' approach is at risk of producing perverse outcomes in terms of resourcing and outcomes. This approach leads to consequential negative impacts on some areas of the basin that need resourcing to ensure the objectives of the Basin Plan and WRPs are achieved. The New South Wales analysis highlights this effect and estimates that 95 percent of water use will be covered by metering only 46 percent of water supply works; and metering 30 per cent of supply works will cover 87 percent of water use. There is clearly a diminishing margin of return from increasing the percentage of metering which, in a resource constrained environment, comes at the cost of achieving other activities that support Basin Plan outcomes. Queensland therefore strongly supports a risk-based approach to the deciding what and the extent to which an activity is undertaken.
- There is a need to adopt a practical approach to resource allocation amongst activities at all steps in the compliance and reporting process. The Queensland government supports increasing transparency of decision-making and data as a primary (but not single) driver of improved compliance. A balanced view needs to be taken to ensure on-ground management of the water resource and data collection is not compromised.

The Independent Audit of Queensland Non-Urban Water Measurements and Compliance has not been finalised. DNRME continues to develop and deliver the following water compliance initiatives:

- Developing a suite of compliance guidelines, procedures and templates aligned with the Natural Resources Compliance Framework to support consistent and accountable approach to monitoring and responding to compliance issues under the *Water Act 2000* (Qld)
- Identified legislative changes to strengthen our ability to respond to compliance issues, such as new and/or clearer offence provisions, improved powers and additional tools to address non-compliant behaviour
- Preparing the Annual Compliance Plan for 2018-19, focusing on compliance risks in a consistent manner and to inform priorities
- Improved transparency of compliance approaches, priorities and outcomes through an increased web presence
- Behavioural insights project, to better inform early intervention and communication with water users and the regulated community

The Queensland Government will consider future improvements to basin-wide compliance including:

- The use of technology such as satellite imagery to assist with compliance monitoring.
- Engagement and alignment between the basin state jurisdictions to improve consistency and also share learnings.

INFORMATION REQUEST 13 — Monitoring, evaluation and reporting

The Commission is seeking information on:

- a. 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*
- b. 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.*
- c. the usefulness of the MDBA's Framework for Evaluating Progress and its recent application in evaluating the Basin Plan*
- d. 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)*
- e. the general information required to provide confidence to communities and others that the Plan is being implemented well and is achieving its objectives*
- f. whether processes are in place to monitor key risks to the continued availability of Basin water resources.*

Regarding current reporting arrangements, key issues are:

- The current annual reporting requirements for environmental watering are not fit for purpose for Queensland's unregulated rivers in which streamflow is highly variable.
- The current annual reporting Queensland is required to provide is limited to administrative-type implementation questions e.g. did you submit your Annual Environmental Watering Plans on time?
- The five yearly Schedule 12 reports may in time help evaluate whether long term objectives of the implementation of the Basin Plan are being delivered. However these only begin in 2020 and the format and content is still unclear.
- There should be further efforts to streamline reporting processes, remove unnecessary or duplicative reporting, and align with the state's statutory reporting arrangements.

Regarding the clear delineation of responsibilities, key issues are:

- There are unresolved issues for Matter 7 and 8 reporting — five-yearly reports on the achievement of environmental outcomes at a basin and asset scale.
- As identified in Information Request 8, there are differences between Queensland's objectives (fit-for-purpose for unregulated systems) and the objectives and targets in the MDBA's Basin-wide environmental watering strategy (assuming a regulated system).
- There may be an issue in 2020 when five-yearly reporting commences on achievement of environmental outcomes at an asset scale (Matter 8) at the same time as MDBA and CEWH do an evaluation of achievement of environmental outcomes at the Basin scale (Matter 9). It is not clear how the two sets of reporting will align.

MDBA's Framework for Evaluating Progress was written in 2014 and should be updated before being used in evaluating the Basin Plan.

Regarding data and information for monitoring, evaluation and reporting, key issues are:

- Queensland does not support making the current monitoring, evaluation and report requirements in the Basin Plan any more rigorous.
- Queensland has a state-wide statutory process of five-yearly Minister's Reports to evaluate statutory water plans (key component of the Basin Plan's WRPs).
- Queensland's priority is to ensure efficiencies in reporting e.g. adapting the Minister's Reports to meet both the Queensland statutory and the Basin Plan's reporting requirements.
- Evaluation processes for the Basin Plan are not appropriately timed as they are based on fixed dates that are out-of-step with the current planning timeframes.
- Queensland supports amending these timeframes to be flexible e.g. 'X' years after commencement of the WRP.
- In unregulated systems, evaluation of environmental outcomes should be on a long time scale, otherwise short-term climatic variability masks the results.
- In unregulated systems, the evaluation of environmental outcomes should use an approach that focuses on the effect of the water management and filters out the effects of other non-water threats (e.g. land use and pests) on the environmental asset.

Regarding public confidence to communities, key issues are:

- The Queensland Government is committed to ensuring that water measurement and compliance frameworks are effective and uphold public confidence in water management across the state.
- The Queensland Government treats matters of compliance seriously, and expects its approach to water measurement and compliance of non-urban water will be outlined at the next meeting of the Murray–Darling Basin Ministerial Council (8 June 2018); considering the recommendations of the Murray–Darling Basin Authority's Water Compliance Review and the Independent Audit of Queensland Non-Urban Water Measurement and Compliance Report.

Regarding monitoring key risks to the continued availability of Basin water resources, key issues are:

- Queensland adopts a risk-based approach through the statutory water planning framework.
- The development and review of the statutory water plans includes a risk assessment on the availability of water resources for consumptive and environmental purposes.
- The current review of the water plans in the catchments located in the Murray–Darling Basin included risk assessments.
- The five-yearly Minister's Reports on the implementation of the water plans, includes assessing whether there has been a change in the risk profile.

INFORMATION REQUEST 14 — Basin institutional and governance arrangements

The Commission is seeking information on:

- a. Whether current institutional and governance arrangements provide for sufficient oversight of the plan and support engagement with the community*
- b. Whether there are risks to the achievement of the objectives of the Plan that arise from the current institutional and governance arrangements*
- c. What improvements are fit for the next phase of implementing the Plan.*

Key issues:

- Queensland supports the reduction in regulatory and bureaucratic burden and duplication.
- The *Water Act 2007* (Cth) and the implementation of the Basin Plan has resulted in the proliferation of multi-jurisdictional processes and committees that should be rationalised.
- The Basin Officials Committee is formed under the Murray–Darling Basin Agreement and is not very effective as a basin-wide strategic forum as it is too focused on operational matters.
- As a priority there should be a review of the many working groups associated with the Basin Plan Implementation Committee. They should be more issues based (e.g. work-shop process) and have less agenda items for noting.
- The Basin Plan framework should be outcomes-based, rather than overprescribing WRP accreditation requirements, and support a fit-for-purpose approach to implementation.
- Queensland supports the role of the MDBA as a technical organisation with relevant expertise to undertake assessments and evaluation of the Basin Plan implementation.
- The National Partnership Agreement on implementing water reform in the Murray–Darling Basin (NPA) was initially designed to be an independent and low-burden process to provide Commonwealth funds to the states to develop the WRPs and other Basin Plan implementation activities.
- The Commonwealth funding under the National Partnership Agreement for Implementing Water Reform in the Murray–Darling Basin is an important contribution to completing the scientific studies and preparing the planning documents. A reduction in this funding would negatively impact on plan implementation and increase the risk to completing the WRPs on time and in full.
- Queensland supports an adaptive management approach to making improvements to the WRPs over time. The *Water Act 2007* (Cth) provides an opportunity for any Basin State to propose a review once the Basin Plan has been fully implemented in June 2019.
- The last NPA process for 2016-17 indicated the Department of Agriculture and Water Resources lacked some objectivity regarding comments on the water recovery processes.

END OF SUBMISSION