



9 October 2014

The Research Director
Agriculture, Resources and Environment Committee
Parliament House
George Street
BRISBANE QLD 4000

Dear Sir

**Submission to the Inquiry on the
*Water Reform and Other Legislation Amendment Bill 2014***

The Council of Mayors (SEQ) welcomes this opportunity to provide input to the inquiry into the *Water Reform and Other Legislation Amendment Bill 2014*, with particular attention to the aspects relevant to the *River Improvement Trust Act 1940*. The Board of Council of Mayors (SEQ) endorsed the position in this letter on 8 October, 2014.

The Council of Mayors (SEQ) is an independent local government advocacy organisation for the one in seven Australians and two thirds of Queenslanders living in South East Queensland (SEQ). Our Board's Directors are the 12 Mayors of the region elected by the community of SEQ. Our region's economy as identified by the Department of State Development, Infrastructure and Planning is \$170 billion or half of that of Queensland. By comparison, the stated economy of the Great Barrier Reef catchment region is \$9.4 billion with a population of 1 million.

South East Queensland's (SEQ) relationship with its waterways is unique in the Australian context. SEQ is the only major Australian settlement built substantially on floodplains. The topography of the region has resulted in 19 relatively short catchments flowing from the nearby Great Dividing Range into the internationally recognised Moreton Bay and beaches. The region's open catchments support urban and economic growth through drinking and other water supplies, high-quality agricultural production, globally renowned tourism and leisure facilities, scenic amenity, and world-class fisheries. Brisbane, with its key infrastructure facilities, is the only major Australian city located on a large, mature river subject to regular and severe flooding.

Australia's fastest growing urban region is also the region most directly influenced by its catchments. The capacity of SEQ to continue to grow its population, its economy and employment, and its continued capacity to deliver more than its share to Australian economic growth, is directly linked to the capacity of its waterways to support this growth and maintain the quality of life for which the region is renowned. In short, the future growth of Australia's most vital growth region will be determined by the decisions being made now, at all three levels of government, about our catchments.

The last decade has been one of climatic extremes for SEQ. The record drought years followed by devastating floods have highlighted the importance of enhancing the climate resilience of the region's waterways and water security in SEQ. The communities of SEQ are at this point in time very aware that they "live in a catchment".

The economic and social impacts of droughts and floods have been highly significant in SEQ. The drought years saw the community reduce its consumption to 140 litres per day, the restructure of the SEQ industry including the transfer of \$2.6 billion assets from local councils to the state and the construction of a further \$6 billion in infrastructure to secure supply.

The floods of 2011 and 2013 have been costly in terms of lives and also infrastructure. The reconstruction costs for SEQ have been \$700m in 2011 and \$300m in 2013. In the 2013 storm event, the production of water from the main water treatment facility for Brisbane was significantly impacted for three days by a huge slug of silt from the upstream lands as a result of severe erosion which also affected large areas of highly productive farming lands in the Lockyer Valley. Sediment has also begun to affect the Port of Brisbane with costly and on-going de-silting operations underway. SEQ fisheries valued at \$157m (2009) have been adversely affected by coastal algal blooms and the loss of seagrass associated with sedimentation and nutrient pollution. There are 12.4 million annual visits to Moreton Bay Marine Park, making it Queensland's most popular park.

In addition, upgrading the vital infrastructure provided by water utilities as the region's population grows is an ongoing cost to the community. \$100m is spent annually through wastewater treatment plant upgrades to reduce nutrients entering the region's waterways. Cost effective solutions and partnerships that contribute to water quality improvement in the catchments are actively being sought by these entities including a recent nutrient trading example established by Queensland Urban Utilities on the Logan River for the Beaudesert Waste Water Treatment Plant which will result in savings to customers.

Seqwater in its submission to the Queensland Competition Authority, 31 July 2014, has indicated a potential spend on natural assets of the region's catchments of \$115m over 15 years, with 11 project and programs of forecast expenditure greater than \$2m. Seqwater is keen to value-add to this investment with other parties, including Councils.

SEQ has large numbers of infill development and a number of key greenfield development areas, including those within the Pumicestone, Logan and Bremer catchments. Sediment movement from these areas into the waterways is an issue that involves developers, the building industry, site engineers, councils and the State Government. Prevention of soil movement in this case will achieve significant immediate results.

Security of our clean drinking water, healthy productive farming lands, the tourism icon of Moreton Bay and its seagrass pastures and internationally listed Ramsar wetlands as well as the Gold Coast and Sunshine Coast beaches, and infrastructure such as the Port, roads, bridges and pipes is the ultimate objective. The cost of repairs and inefficient systems are being worn by our community. It is time for a cohesive vision, plan and actions for climate resilience in SEQ.

Whilst there has been significant effort on water quality improvement projects in SEQ waterways over the past 20 years, these have often been uncoordinated. Each year, funds are spent on projects across local and state government, water utilities and community groups, to improve waterway health. Unfortunately, these efforts are often not understood or communicated, and opportunities for alignment and better coordination have been missed in the past. The lack of coordination also means that investments are not necessarily directed towards the highest priority areas where the outcomes can be maximised.

There is clear evidence that a whole of catchment approach is needed to fully integrate the economic, environmental and social aspects of waterway management in SEQ. In this context, a 'business as usual' approach to the management of the region's waterways is no longer acceptable. This coordination of effort and resources now requires immediate attention. Where efforts to coordinate catchment management in an area are underway, these will form an important base for future work.

This new approach will ensure more coordinated catchment management and will deliver optimised outcomes. The solution is a focus on on-ground activities that deliver tangible benefits to our waterways, economy and the region's water security and health and wellbeing.

In early 2014, a high level agreement initiated by the Council of Mayors (SEQ) was established between the key local government and non-government groups with an interest in water and catchment management in South East Queensland. The signatory organisations are:

- Council of Mayors (SEQ)
- Seqwater
- Healthy Waterways Ltd
- SEQ Catchments Ltd
- Queensland Urban Utilities
- Unitywater.

The signatory organisations agreed that:

1. *An integrated approach to the management of the catchments of South East Queensland is vital to ensuring the future economic, social and environmental health of the South East Queensland region.*
2. *By working together, more efficient management and funding arrangements will result.*
3. *In principle, both a long term strategy and short term implementation plan will be developed.*
4. *This agreement will form the basis of discussions with the State Government with the view to fully align the government and non-government approaches.*

Following the high level agreement, the Council of Mayors (SEQ) established the Mayoral Waterways Taskforce to provide political level leadership for the high level agreement. The Mayoral Waterways Taskforce is chaired by Cr Graham Quirk (Lord Mayor and Chair of

Council of Mayors (SEQ)) with Cr Steve Jones, Mayor Lockyer Valley Regional Council as a member.

The Queensland Government has committed to being involved in the process. The Queensland Government recognises the important role of catchment management to improve waterway health and assist with delivering water security. Under *WaterQ*, the 30 year strategy for Queensland's water sector, the government has committed to working in partnership for catchment management outcomes.

The Premier has nominated the Honourable Andrew Powell MP, Minister for Environment and Heritage Protection to represent the Queensland Government. Several Queensland Government departments have an important role and interest in catchment management and it is our understanding that the Department of Environment and Heritage Protection will provide a coordination role across the various departments.

The Council of Mayors (SEQ) commends the Queensland Government on its proactive involvement to date in this important piece of work as collectively we are now in a strategically significant position for effective collaboration with the Federal Government.

As part of this high level collaborative approach, a mechanism to allow for funding to be consolidated and dispersed more strategically across local government boundaries will also be considered. This may include the potential creation of a river management body that will manage the delivery of on-ground action. This model may be supported by the proposed amendments to the *River Improvement Trust Act 1940* to facilitate establishment of the high level corporately focused body and to provide for broader catchment management and restoration functions. Such a body would be uniquely constituted as a statutory body and have quite different membership arrangements to existing river trusts.

The Minister for Natural Resources and Mines originally proposed a new River Improvement Trust (RIT) to be based on the Brisbane River catchment, including parts of Scenic Rim, Lockyer, Somerset, Ipswich, and Brisbane Local Government Areas. The remainder of SEQ was not included in the proposal.

Subsequent discussion with the relevant Ministers has provided clarity about the potential role of a larger, whole-of-region RIT (with significant local government ownership) in the prioritisation of work across SEQ. The Ministers have indicated that the RIT scope is to be determined by the Mayors. Subsequent meetings of the Board of Council of Mayors (SEQ) have further confirmed that a whole-of-region approach is broadly the preferred model. While detailed discussions would need to occur on the mechanics of establishing and operating a whole-of-region RIT, it is important that the legislative head of power for a RIT include the necessary flexibility to deliver on the agreed policy direction of State and Local Government.

An important aspect is the voluntary nature of such an arrangement and that there be no requirement for a participating council to contribute a set amount of funds annually. A number of discussions between the Ministers and Mayors on this topic have confirmed that it

is the intent of the State Government that participating councils would not be required to contribute a set amount of funds annually.

To capitalise on the many months of negotiations and collaborative goodwill, and to establish the SEQ region as a leader in innovative integrated waterways management, the following specific aspects of the proposed legislation will need to be significantly amended to enable the above:

- 1) The Minister's powers in Clause 23, Section 3(5), section 3 are new and enable the State to override or sideline local governments in making decisions about river improvement areas. Council of Mayors (SEQ) does not support this extension of the Minister's powers, and considers that it is essential that a local government's role in the establishment, change or abolition of river improvement areas affecting their local government area be continued.
- 2) Regarding Clause 23, Section 3(5), section 4, despite existing provisions which allow the Governor in Council (upon the Minister's recommendation) to assign a name to a river improvement area, the relevant local governments should be able to determine the name of the trust for the river improvement area. Council of Mayors (SEQ) does not support this provision.
- 3) Clause 24, Section 5(1A) is new and enables a trust to be made up with no local government appointees and for "entities" to be entitled to nominate members for the trust. There is no indication about what these entities might be. There is no provision for any local government councillor representation if a trust is established under section 5(1A) and no provision for any member of the trust to be resident in a constituent local government area. Council of Mayors (SEQ) does not support these amendments. It is undesirable for river improvement trusts to be set up with no local government input, no local government membership and with no members resident in the local government areas covered by the trust.
- 4) Regarding Clause 41, amendment of Section 14 – *Liability of local government to contribute to trust*, Council of Mayors (SEQ) is concerned that the liability of local governments to contribute to a river improvement trust will continue unabated even if, under the amended sections 3 and 5, the river improvement area and trust have been established without local government support and with no local government councillors on the trust. If the river improvement area covers more than one local government area, section 14(1B) as amended allows for negotiation between the trust and the relevant local governments to determine contribution amounts. If there is no local government councillor on the trust, this provides a very limited local government contribution to the trust's decision about the amount the constituent local governments will be required to contribute. There is no requirement for the amount to be "reasonable". While the amended section 5 provides for "entities" other than local governments to nominate members for a trust, these "entities" do not share the liability of local governments to contribute to the trust. As such Council of Mayors (SEQ) does not support the amendments because:
 - a) It is not reasonable for a local government which is not represented on a river improvement trust to be subject to:
 - i) A potential unlimited liability to make a financial contribution to a trust on which they have no representation if there is only one local government in the river improvement area;
 - ii) Limited ability to negotiate contributions as between more than one local government in the river improvement area.

- b) River improvement trusts should be required to set reasonable amounts for local government contributions.
- 5) References to the *Local Government Act 2009* should be updated by adding a reference to the *City of Brisbane Act 2010*.

Should you require any further information regarding our position on this matter please do not hesitate to contact [REDACTED] at the Council of Mayors (SEQ) on [REDACTED] or [REDACTED]. I look forward to your positive consideration of the issues raised in our submission.

Yours sincerely

[REDACTED]

Cr Graham Quirk
Chairman, Council of Mayors (SEQ)

cc. The Mayors of SEQ