

Dr Jacqueline Dewar,
Committee Secretary,
Infrastructure, Planning and Natural Resources Committee,
Parliament House,
George St, Brisbane, 4000

ipnrc@parliament.qld.gov.au

15-9-2017

Dear Dr Dewar, **RE: Mineral, Water and Other Legislation Amendment Bill 2017**

Cotton Australia welcomes the opportunity to comment on the Mineral, Water and Other Legislation Amendment Bill 2017.

The Queensland cotton industry contributes approximately \$700 million to \$1.2 billion (farmgate) to the economy each year. It involves some five hundred farmers and approximately 3000 direct employees, with thousands more employed along the cotton supply chain.

Our industry is highly dependent on water availability, and shares the Queensland Government's aim of growing regional jobs and the regional economy.

We are proud and active members of the Queensland Farmers Federation (QFF) and endorse their submission to this inquiry. However, should there be any inconsistency between the views expressed in the QFF submission and ours, the view of Cotton Australia is the one expressed in this submission.

We have not sought to comment on the whole raft of amendments contained in this legislation, but wish to highlight a number that are of particular importance.

Release of Unallocated Water

Cotton Australia fully supports this initiative. There are a number of opportunities across the State where water is being held in Strategic Reserves, that could be well utilised to drive economic growth and jobs in the short to medium term, while still providing the State with a resource for longer-term infrastructure projects.

For example, the state currently holds around 60,000 megalitres in Strategic Reserves for the construction of Nathan Dam on the Dawson River. Nathan Dam was first proposed in 1926, and while Sunwater now has an approved EIS it has indicated that it has no immediate plans for construction.

All or part of this water could be temporarily released, to existing irrigators along the Dawson River, who could boost their production until the water is actually required, when/if the dam is constructed.

In areas such as the Dawson Valley, water is the key limiting resource. Irrigators already have the land and other associated infrastructure on farm to boost production if they could access more water.

Importantly, the infrastructure and skills to support, process and transport the extra production is also in the area, mostly under-utilised, and able to be ramped up quickly. This means that significant extra regional economic activity can be generated without the need for significant and long-term additional capital investment.

While highly supportive of the concept, Cotton Australia would propose that Clause 40A (4) be amended so the maximum release period is increased from three years to five. Cotton Australia believes that five years is a more reasonable period for the user (irrigator) to generate a return, while not lending any sense of “permanency” to the release.

We understand the government has settled on three years as it is concerned that irrigators will grow dependant on the additional water, may invest in significant additional infrastructure, and generally make it harder for the water to return to the Strategic Reserve at the end of the water licence period.

Cotton Australia contends that as the water market matures, and irrigators grow more accustomed to the separation of water rights from land rights, there is a greatly reduced risk of irrigators developing a sense that water released to them under this mechanism is permanent, and that they will not argue into the future that long-term access is essential for their business survival.

Cotton Australia believes that while five years will allow the opportunity for the irrigators to make a reasonable return on the additional water, it is not a long enough period to encourage any significant additional expenditure (over and above what can be recovered in the short-term) on infrastructure.

Cotton Australia is concerned with Clause 40A (5) *“Despite section 106(4) the water licence cannot be renewed, reinstated, relocated, amalgamated or subdivided.”*

This clause appears to be very dogmatic, and if interpreted correctly appears to expressly rule-out the renewing of a licence for another period.

If Cotton Australia’s interpretation is correct, we would strongly argue that this clause is over restrictive and renewal should be allowed at the Chief Executive’s discretion.

For example, if the licence has expired, but the infrastructure that the water has been reserved for is still not being built, then why shouldn’t the licence be able to be renewed. Cotton Australia sees this clause as an unnecessary restriction on job and growth opportunities in regional Queensland.

Amendment of sch 4 (Dictionary) – Seasonal Water Assignment

Cotton Australia is supportive of the change in definition for seasonal water assignment. This change will allow for a more flexible and responsive assignment of water.

In effect it will allow water access to be traded during events, ensuring an opportunity to optimise the benefit from water available during events, rather than the need to make annual trading arrangements.

Specification of cultural outcomes distinct from economic, social and environmental outcomes

Cotton Australia is supportive of the recognition of cultural water, provided this water is not available for economic outcomes. To be very clear, Cotton Australia is not opposed in any way to Aboriginal and Torres Strait Islanders having access to water for economic purposes, but such economic water must be allocated in the same way it is allocated to any other Queenslanders.

Cultural water must be for culturally specific outcomes.

Cotton Australia would welcome the opportunity to provide additional information or give evidence to the committee.

For further information please contact

or by email

Yours sincerely,

Michael Murray,
General Manager