Industry Feedback

qldwater consolidated feedback



Feedback on Environmental Protection (Great Barrier Reef Protection Measures) and Other Legislation Amendment Bill 2019

March 2019

The Queensland Water Directorate (*qldwater*) is the central advisory and advocacy body within Queensland's urban water sector representing the majority of the State's public Service Providers, from small local governments to major utilities including Queensland Urban Utilities and Unitywater. *qldwater* works with its members to provide safe, secure and sustainable urban water and sewerage services to Queensland communities.

qldwater collated information and input from urban water and sewerage service providers across the State and compiled this response for the <u>request for submissions</u> on the <u>Environmental Protection (Great Barrier Reef Protection Measures) and Other</u> <u>Legislation Amendment Bill 2019</u> that was introduced to Parliament on 27th February 2019 the Hon Leeanne Enoch MP, Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts.

The sector is generally supportive of the need for new controls to protect the Great Barrier Reef (GBR) which is highly valued socially and economically. The proposed legislation is supported in principle as a reasonable initial step to improve water quality. However, the sector remains concerned about the misrepresentation of the impacts the legislation will have on public sewage management and GBR communities. There are 130 public sewage treatment plants (STPs) in the GBR catchments serving around 1 million people.

The new legislation creates additional costs for public STPs because of the requirement for 'no net decline' in Reef water quality standards from additional nutrient and sediment

loads. This means that new or expanded STPs will need to be designed to operate within current limits or seek water quality offsets. Any population growth in towns and cities in GBR catchments will thus incur additional expenses. The Decision RIS estimates this population growth at 16,522 people per year and estimates the additional cost to support this growth to be \$1.4 million per year (pp. 41-42). This figure is a gross underestimate because it is based on a number of incorrect assumptions as summarised in the table below:

Assumption (Decision RIS)	Error
"At the industry best practice release	There is no agreed standard for best practice and STP
limit of 5 mg/l this results in 1 gram of	Environmental Authorities vary markedly often depending on
residual nitrogen pollution per day" (p.	community size and environmental risk. Achieving the stated
42)	release limit of 5 mg/l across all STPs in the GBR catchments
	would not be feasible.
"offset costs are still a sound indicator	Offset costs are highly speculative (as recognised in the
of the maximum possible costs that	Decision RIS) and the figures used in the RIS analysis do not
treatment plants might face when	reflect the current Point Source Water Quality Offsets Policy
upgrading their treatment processes"	(nor the draft new policy which has been in development for
(p. 41)	nearly two years).
"These are maximum costs because if	Offset costs do not reflect maximum costs because they are
plant operators can make the changes	not always a practical solution. In fact, there have as yet been
in a cheaper manner under the	no successful STP offsets in reef catchments and upgrades
proposed regulations they will be able	have instead generally required expensive engineering
to do so" (p.41).	solutions. As an example of potential maximum costs, it has
	been estimated that improving all STPs in GBR catchments to
	the "best practice" release limit of 5 mg/l of nitrogen, would
	have a capital cost in excess of \$700 mill with ongoing
	operational costs exceeding \$30 million per year.
"If changing their plant costs more than	STP operators may not be free to choose offsets. The choice
the offset amount, they will be able to	of appropriate response is negotiated with the environmental
choose to use offsets" (p. 41)	regulator which has the final say on the approach adopted.
	There has been only one example in Queensland where an
	offset has been used in place of (more expensive) approaches
	for STP improvements. The RIS is silent on how the current
	waste management nierarchy under the EPP water will be
	treated and offsets are currently the final stage in this
	nierarchy meaning they can be used only as a last resort. The
	Decision RIS implies offsets can be a preferred management
	solution based solely on costs.

The real costs of the new framework will be greater than the value estimated in the RIS **and success is currently underpinned by an under-developed new approach to offsets**. Critically, while the Decision RIS questions the growth rate of some industries in GBR catchments, it is clear that population will continue to grow and that additional loads at STPs will need to be accounted for immediately. This will require consideration of new or expanded STPs. Significant state funding contributions to water and sewerage infrastructure ceased several years ago meaning that in some places, there will be a backlog of underinvestment in STP upgrades.

The sector is prepared to invest in improved infrastructure particularly where benefits can be accrued to the GBR but only where this response is proportionate to risk. The initial RIS significantly overestimated the contribution of STPs which has been repeatedly estimated at less than 9% to total catchment loads. The Decision RIS responds to this criticism by referring to unpublished data to claim that "nutrient pollutant loads from point sources could be higher proportionally than the contribution reported in the 2017 Scientific Consensus Statement." Given the high degree of reliance on the Scientific Consensus statement elsewhere in the RIS, this is an extraordinary claim that needs further evidence and discussion.

Regardless, the sector is committed to continuous improvement of sewage management and discharges from public STPs and is currently working with the Office of the Great Barrier Reef to identify opportunities for greater use of offsets and for other innovative options. Initial work is being undertaken with state funding as part of a Major Integrated Project with the Local Government Association of Queensland. Further funding will be needed to trial and implement optimal solutions in GBR catchments, particularly in order to test and prove offsets and to explore innovative approaches where offsets are not achievable.

In summary, the sector agrees on the urgent need for:

- a) broad based regulation of nutrient, sediment and pesticide runoff entering GBR catchments,
- b) the imposition of end of catchment targets to better define environmental limits for overloaded catchments and
- c) responses that are proportionate to the risks to the GBR.

However, it is recommended:

- a) that there be targeted funding to continue the approach commenced with the Local Government Major Integrated Project to allow the sector and Queensland Government to continue to partner on innovative solutions (including offsets) to reducing the urban footprint and minimise future costs for reef communities, and
- b) that a workable offsets mechanism that reduces nutrient flows to the GBR and also considers social and economic impacts for reef communities is established **prior to the new regulatory framework being put in place**.