

Water Legislation Amendment Bill 2022

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AMEC SUBMISSION



To: State Development and Regional Industries Committee

Re: Water Legislation Amendment Bill 2022

Date submitted: 10 November 2022

Introduction

AMEC appreciates the opportunity to provide a submission on the Water Legislation Amendment Bill 2022. AMEC has been keenly involved in the development of the Bill and provided three submissions over recent months on Water Plans (Mary Basin, Barron and Fitzroy) highlighting the issues in the legislation and water planning framework and how they will impact on AMEC's members. As such, AMEC was disappointed, given the level of involvement in consultation through the Water Engagement Forum and in specific briefings over the past eight months, that we were not named as key stockholders and contributors to the stakeholder engagement process. This has raised immediate concerns that our input and key concerns that are unique to our members, has not been considered.

About AMEC

The Association of Mining and Exploration Companies (AMEC) is a national peak industry body representing over 520 mining and mineral exploration companies across Australia. Our members are mineral explorers, emerging miners, producers, and a wide range of businesses working in and for the industry. Collectively, AMEC's member companies account for over \$100 billion of the mineral exploration and mining sector's capital value.

Mineral exploration and mining make a critical contribution to Australia's economy, directly employing over 274,00 people. In 2020/21 Industry generated a record high \$301 billion in mining exports, invested \$3.2 billion in exploration expenditure to discover the mines of the future, and collectively paid over \$39.3 billion in royalties and taxes.

AMEC's Queensland members, of which there are more than 70, work in and for the resources industry, exploring, developing and producing minerals including Antimony, Bauxite, Coal, Cobalt, Copper, Gold, Graphite, Lead, Lithium, Mineral Sands, Molybdenum, Nickel, Phosphate, Rare Earths, Silver, Tungsten, Vanadium and Zinc.

Submission to the Committee

The proposed amendments in the Water Bill, look at another planned strategic area, namely the Queensland Murry Darling Basin, an area accessed by a number of our exploration members and of key interest to some of our developer members as far as re-commercialising historic mines is concerned.

AMEC is of the view that the majority of the water planning and water framework does not account for exploration and junior to mid-tier mining operations, especially those mining operations focused on critical minerals. Further, AMEC suggests that the framework is not cognisant of emerging economic development broadly.

The purposes of the regulatory water framework is to facilitate sustainable water use under the *Water Act 1994*. This includes the reasonable use of water and balance needs of all water users especially

in the non-urban water context. The Water Plans occur broadly, and cover all waters (rivers, lakes and springs), overland flow and groundwater.

The tailoring of Water Plans to the specific needs of the planned areas is critical to allow for resilience into the future, and to prepare and develop the planned areas to deal with the changes driven by the following key matters critical to communities and industry:

- Climatic instability and unpredictability
- Changing recourse sector framework and location, for example the North West Minerals Province verse the Bowen Basin, and
- Changing water market demands.

Currently the Water Act and the subordinate plans are so rigid they do not provide for necessary and practical solutions. They fundamentally fail to demonstrate the current allocation success and continue to allow waters to move through the system. They also do not safeguard against irregular and extreme events. The proposed 'Risk Based Approach' is a risk assessment prepared by non-users of the water framework. This will only ultimately result in a framework that is non-collaborative and potentially fails to accommodate for all the risk and consequences in the system, as it is has not considered all the current users of the water resources.

In the most recent Water Engagement Forum meeting, departmental officer [REDACTED], pointed out the following when reviewing the *Underutilisation of water journey*; it was noted that AMEC was not included in the 2019 consultation, but AMEC had provided quite a detailed response through the submission process. Through this process, AMEC identified the issue regarding un-supplemented underutilised estimates, namely *based on volumetric limits, may be 'over-estimated', should we use nominal volumes instead?* In response to this question [REDACTED] stated that the Department would be refreshing the underutilised water estimates. This is an important point to AMEC, as there are commodities, and resources that will be coming online in the future, who will need access to water resources. A natural source would be potentially un-supplemented water or water that is underutilised, but if there is no clear data framework or source of information on how and when water resource may become available in a system there is a chance that future users are disadvantaged or unable to access essential water when required.

It was discussed that the reason for the possible over estimation of the water calculations and values used to determine the allocation within the planned areas may not have been correct. There was a comment made that allocations had been previously overstated and that there was a strong data set to support this theory. It was requested by members that a presentation be made, specifically on these statistics.

AMEC stands by the concept that without good sound data and knowledge it's difficult to form an appropriate submission, it also submits that the Water Plans fail to allow for private development of storages and transfers of unallocated resources to storage, especially in times of extreme flow or irregular flows. Consequently, for developing industries and new users to the framework there is a highly competitive water market but without adequate water infrastructure management. The solutions are available but again, the act restricts the ability of business to provide good solutions that would limit pressure on the existing users of the resource.

Some very specific examples are as follows:



- Development of a site for a resource entity or for exploration, cannot build a storage greater than 50 megalitres under the current plans, or the limits for accessing water mean that a water licence cannot be applied for.
- This storage cannot interfere with overland flow, yet quite often storages and restricting overland flow is essential to meet requirements of the Environmental Authority for an area to segregate stormwater runoff from the operation and retain clean water away from dirty water.
- Storages cannot be interlinked if they are greater than 50 megalitres.
- This limiting of the volumes also restricts the ability to take advantage of peak events such as floods or unseasonal flow; alternatively, as is a case across Queensland it also limiting the ability of entities to effectively manage the current unseasonal events and associated risks.
- The ability to off take water above the flood line means that that this water continues through the system, quite often causing damaging flooding events. Some of the volume in the system could be reduced (be it marginally by sometime 2-3 gigalitres) if it was allowed to be off taken for resource industry purposes.
- Further, generally for all development economy wide, water resources in storage have great economic benefit and help attract investment, but it is very difficult to quantify or optimise this value when infrastructure development is impeded.

Critical Points for AMEC

Main points:

- Individually, projects need access to water from the overland flow strategic reserve, but there is a real risk if industry become an additional user that the resource could be depleted if additional storage and or harvesting is not optimised under an appropriate water licence. Currently these type of water licences are not available to industry
- As a result, projects attain water security through water storage and pipeline to be able to harvest water.
- Regionally, consideration of detailed catchment modelling to target specific flow regimes should be completed and determine appropriate storage and licencing areas as a priority to match need with infrastructure, both current, planned and possible that integrates with the ambition and targets being set by the State for the whole economy.
- It would make sense to develop this type of approach with industry, cross-government and Sunwater working directly together.

Summary:

- Across Queensland, there will be new resource projects coming online; there are already projects in pre-feasibility and pipeline approval that will require processing of vanadium ores among other new economy minerals and exploration of critical minerals, which is a key development priority.
- To date, these projects do not have a combined volume of water, but it would be significant and in the order of gigalitres.
- It is not preferred to take water from the GABORA or the underground in general, the preference will always be to utilise and access overland flow.
- Existing water licence holders are not showing an interest in seasonal sale or permanent sale of water. They see the value of their water and are holding on to it.

