STATE DEVELOPMENT, NATURAL RESOURCES AND AGRICULTURAL INDUSTRY DEVELOPMENT COMMITTEE

Members present:

Mr CG Whiting MP (Chair)
Mr DJ Batt MP
Mr JE Madden MP
Mr BA Mickelberg MP
Ms JC Pugh MP
Mr PT Weir MP

Staff present:

Dr J Dewar (Committee Secretary)
Ms C Furlong (Assistant Committee Secretary)

PUBLIC BRIEFING—SUBORDINATE LEGISLATION: NO. 11 OF 2019, WATER PLAN (CONDAMINE AND BALONNE); NO. 12 OF 2019, WATER PLAN (BORDER RIVERS AND MOONIE)

TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, 1 MAY 2019

Brisbane

MONDAY, 1 MAY 2019

The committee met at 8.01 am.

CHAIR: Good morning. I would like to acknowledge the traditional owners of the land on which we meet today. I declare open this public briefing for the committee's consideration of subordinate legislation No. 11 of 2019, Water Plan (Condamine and Balonne) 2019 and No. 12 of 2019, Water Plan (Border Rivers and Moonie) 2019. Thank you for your attendance here today. My name is Chris Whiting. I am the chair of the committee and the member for Bancroft. Other committee members with us today are: Mr Pat Weir, deputy chair and member for Condamine; Mr David Batt, member for Bundaberg; Mr Jim Madden, member for Ipswich West; Mr Brent Mickelberg, member for Buderim; and Ms Jess Pugh, member for Mount Ommaney.

I remind members of the committee of the instructions under schedule 3 and schedule 8 of the standing orders that Public Service employees may be called upon to provide factual and technical background to government legislation and administration. However, a committee shall not ask an officer or a department to give opinions on matters of policy.

The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. The proceedings are being recorded by Hansard and witnesses will be provided with a copy of the transcript. To assist with clarity, can you please identify yourself when you first speak and speak clearly and at a reasonable pace.

All those present today should note that it is possible you might be filmed or photographed during the proceedings by media and images may also appear on the parliament's website or social media pages. The media rules endorsed by the committee are available from committee staff if required. I ask everyone present to turn off mobiles phones or to turn them onto silent. I also ask that if witnesses take a question on notice today they provide the information to the committee by 10 am on Monday, 6 May 2019.

The briefing today is to consider subordinate legislation No. 11 of 2019, which relates to the Water Plan (Condamine and Balonne) and No. 12 of 2019 in relation to Water Plan (Border Rivers and Moonie). I now welcome representatives from the Department of Natural Resources, Mines and Energy.

GOUDIE, Mr Steve, Manager, Water Services, South Region, Department of Natural Resources, Mines and Energy

RITCHIE, Mr John, Acting Executive Director, South Region, Department of Natural Resources, Mines and Energy

WISKAR, Mr David, Executive Director, Water Policy, Department of Natural Resources, Mines and Energy

WOOD, Ms Diana, Acting Director, Water Planning, Department of Natural Resources, Mines and Energy

CHAIR: I now invite you to make an opening statement after which committee members may have some questions for you.

Mr Wiskar: Good morning. Thanks for this opportunity to provide a briefing on the new Condamine-Balonne and Border Rivers-Moonie water plans. I will firstly provide some background on how and why the plans have been developed. I will then describe the key elements of the new plans including how they improve on the previous plans that they replace. The two water plans have a number of elements in common, but there are also some important differences with each being tailored to the specific needs of each plan area. My briefing will cover the common elements together while noting the specific differences as I go through the two plans.

The new plans were developed in accordance with the specific requirements of the Queensland Water Act 2000. The act specifies the processes for developing the water plans including consultation requirements, the key consideration, and the content that the water plans must include. As required under the act, the water plans are intended to provide a long-term, sustainable balance between the needs of urban and rural water users in the plan areas and environmental water needs both within the catchments and downstream. As subordinate legislation, the previous water plans were due to expire on 1 July this year. The development of the new plans has been carefully timed to ensure they are enforced before that date.

The water plans have also been developed to meet the sustainability requirements of the Commonwealth Murray-Darling Basin Plan and the Commonwealth Water Act 2007. These requirements have raised the bar to a certain extent in terms of what the water plans must deliver for both water users and the environment. This includes many additional requirements for more transparent protection of critical environmental water needs. There are also additional requirements for delivering better outcomes for water users in terms of water security and improved access to water market information to support improved business decision-making. These additional requirements are all in line with the national water reform principles agreed by COAG under the National Water Initiative agreement 20004.

The new water plans are the key elements in delivering the Queensland government's commitment to the implementation of the Murray-Darling Basin Plan in Queensland on time and in full. Perhaps most importantly, they are the key mechanism for ensuring that the total volume of water taken is within the sustainable diversion limits set for each water resource within each of the plan areas. For example, the total volume of surface water able to be taken within the Condamine-Balonne Water Plan area is approximately 878 gigalitres, while the total allowable volume for the Border Rivers and Moonie Water Plan is 388 gigalitres. Queensland must demonstrate that it is able to manage the total volume of water taken within this volume on average over the long term through the effect of the water plans. Separate sustainable diversion limits are specified for groundwater resources within each of the water plan areas. Importantly, the Commonwealth has committed to recover any water entitled to be taken above this volume through the purchase of entitlement from willing sellers or through water efficiency measures.

The water plans have been packaged up with other relevant Queensland legislation and policies and submitted to the Commonwealth Murray-Darling Basin Authority and the Commonwealth water minister for accreditation against the basin plan requirements. The full package submitted for accreditation is known as a water resource plan under the Commonwealth legislation. The due date for submission of the Commonwealth water resource plans was 28 February this year, and we met that date. The due date for the Commonwealth to consider the accreditation process is 30 June this year, so we are awaiting the outcome. The date 30 June is also the date by which all Murray-Darling Basin states must align their water management arrangements with the basin plan and the Commonwealth act, including the achievement of the sustainable diversion limits. That is across the basin.

I am now going to turn to the process that we follow to develop and implement the water plans. The new water plans were developed in stages which formally began with consultation on a minister's statement of proposals, which was released in July 2016. This was followed by consultation on draft water plans which were released in April 2018, with the final plans commencing on 22 February this year. The department also undertook parallel consultation on the instruments that implement the water plans. The minister's plan is the one that is before you, but we also have water management protocols which specify day-to-day operating rules for water users. We also have water entitlement notices, which give effect to any necessary changes to water entitlements in each plan area; for example, the amendment of water licences and the granting of tradeable water allocations. This parallel consultation was done so that stakeholders were able to understand both the water plan and the other instruments and how they work together to sustainably balance the needs of water users and the environment. It also allows water users to clearly understand how any proposed changes will affect their water rights and water access arrangements.

The consultation on the statements of proposals, draft water plans and supporting instruments was extensive across both plan areas, with over 80 public information sessions. Targeted meetings were also held with water users, industry representatives and local councils. This was in addition to regular briefings with the department's Water Engagement Forum. Members of the committee will recall that the Water Engagement Forum is a forum that we hold in Brisbane which covers cross-sections of stakeholder groups from Queensland industry, environment groups and other stakeholders. It is a high-level consultative group that we use to test policy proposals.

There was also an unprecedented level of consultation with Aboriginal communities across the plan areas including 38 meetings with individual nations. Many of these meetings were held on country and all were organised with the assistance of a dedicated Indigenous engagement officer. Almost 500 submissions were received on the statements of proposal and draft instruments across the two plan areas, many of which were in support of the draft water plan provisions.

In an exciting reflection on the efforts it took to engage with traditional owners, 40 per cent of the submissions on the draft water plans were from Aboriginal stakeholders. This is unprecedented and demonstrates the effectiveness of the engagement strategies the department used. Ongoing consultation has occurred throughout this period with other basin state jurisdictions and Commonwealth agencies. This was done to ensure good alignment with the requirements of the Murray-Darling Basin Plan and with cross-border planning arrangements. Feedback from all sectors on the level of engagement has been positive. This has included a recommendation from the Northern Basin Aboriginal Nations representative group to the Murray-Darling Basin Authority that our engagement was excellent and met the requirements of the basin plan. The NBAN recommendation will be an important consideration in the Commonwealth's accreditation of our water resource plans.

I am now going to talk a little bit about science. Underpinning the water plans is also a comprehensive suite of technical assessments including social, economic, hydrological and ecological assessments. The science was delivered in strong partnership with other government agencies, particularly the Department of Environment and Science. This science is recognised as being best practice across Australia and internationally. It provides a really sound basis for developing the water plans and supporting instruments.

The hydrological models used to test the different water management scenarios use over 130 years of climate and streamflow data. This ensures that water management arrangements are tested against the worst droughts on historical record. The risk presented by climate change is also assessed using state-of-the-art approaches developed in-house by our Department of Environment and Science colleagues. Members of the committee will recall that was a change that we made to the Water Act. It is important to recognise that that change that the committee considered last year within the MWOLA bill has been included in the development of this water plan. The best representative ecological assets with critical links to flow are also selected, out of thousands of possible assets, to test the suitability of water management scenarios in terms of provision of environmental flows. Comprehensive reports on the consultation and science underpinning the water plans are available on the department's website. I particularly recommend the consultation reports and the report on Aboriginal engagement as providing an accessible explanation of the water plans and what they are intended to achieve.

I am now going to talk about the key changes and the benefits of the new water plans. The new plans build on the success of previous plans without reducing the amount of water available for users or the environment. Both include new, more targeted plan outcomes and objectives for protection of water entitlements and critical environmental flows. They also include new outcomes to recognise Aboriginal values and uses of water. Both plans include new measures which are intended to guide implementation of water plans; for example, by establishing time frames for better metering and measurement, releasing of unallocated water reserves, monitoring and evaluation strategies, and for reporting on various matters including Aboriginal water needs and the effectiveness of water markets within each water plan area.

Targets for measuring and metering are aligned with Queensland's commitments under the Murray-Darling Basin compliance compact as agreed between the basin ministerial council. They are also aligned with commitments to statewide improvement of monitoring, measurement and compliance under the Queensland government's Rural Water Management Program. Both plans provide for amendment of existing water entitlements to align with contemporary Queensland Water Act provisions as well as for granting licences and tradeable water allocations through the effect of water entitlement notices. This includes the granting of almost 600 tradeable water allocations to support the expansion of water markets and to improve access to water for expanding businesses.

The water plans also continue to provide limited volumes of unallocated water and the supporting water management protocols also provide for some of this water to be reserved as dedicated Aboriginal water reserves, in line with the new water plan outcomes. The Border Rivers and Moonie water plan and water management protocol provide 4,600 megalitres of surface water and 11,887 megalitres of groundwater for local community, industry and town water supply, with 1,400 megalitres also reserved for Aboriginal purposes. The Condamine-Balonne water plan and water management protocol provide 20,160 megalitres of unallocated water for community, industry and town water supply, with 1,950 megalitres reserved for Aboriginal purposes.

Both plans limit some statutory authorisation—that is, the amount of water that can be taken without an entitlement such as stock and domestic—for particular purposes and in particular areas. For example, the water plans provide that groundwater may only be taken for domestic purposes through existing bores in reticulated areas and where those groundwater resources are fully allocated. This is to ensure that existing entitlements are protected and that overall growth is managed within the sustainable diversion limits established under the basin plan.

Key changes to the plan in response to submissions include amended environmental flow objectives for underground water to better enable trading while maintaining the productive yield of aquifers and base flow to watercourses. New outcomes have been included to drive improved understanding of, and reverse where possible, environmental degradation caused by taking or interfering with water. Outcomes for Aboriginal people are now more clearly defined. The plans also provide stronger regulation for taking and measuring overland flow, including the take of contaminated agricultural run-off.

I am now going to talk about the Condamine-Balonne and some of the things in that area. Additionally, the Condamine-Balonne water plan provides for the reduction of particular groundwater entitlements in the Central Condamine Alluvium. This was done in partnership with an industry led proposal to support the Commonwealth water recovery of 35 gigalitres of groundwater. This has been a highly successful strategy with essentially all recovery achieved, subject to finalisation of accepted tenders, where multiple previous attempts to recover this water had failed. The Condamine-Balonne water plan also includes improved flow event management rules to improve delivery of environmental flows to the Narran Lakes and the Culgoa flood plain. These iconic assets are recognised internationally as critically important bird breeding habitats. This has been achieved without reducing the water available to agricultural water users in this area.

With regard to the Border Rivers-Moonie water plan, the new Border Rivers-Moonie water plan replaces two separate water plans which have been combined for reasons of administrative efficiency. This change has no impact on the water management arrangements in the water plan or the supporting instruments. The Border Rivers-Moonie water plan includes improved arrangements for the management of connected surface water and groundwater in the highly productive Stanthorpe region. This, along with the creation of tradeable water allocations and a water market, is expected to drive a significant expansion of high-value agriculture in this region. This approach was also developed in close partnership with industry and local government stakeholders through a specially established community reference panel. The Border Rivers-Moonie water management protocol, which implements the water plan, also includes new water accounting arrangements for overland flow developed in consultation with industry, although this particular arrangement is not directly dependent on the water plan provisions.

With regard to next steps and Commonwealth accreditation, following the full ratification of the water plans the department will be able to publish the final water entitlements for each plan area to give effect to the changes to water entitlements and to create the nearly 600 water allocations. There may be some delay in the publication of the water entitlement notice for the Condamine-Balonne water plan to take account for the time that it takes to deal with the large number of entitlement transfers associated with the water recovery in the Central Condamine Alluvium. The department will continue to liaise with stakeholders, particularly affected water users, to ensure they understand any changes to the water rights and water access arrangements under the new water plans and supporting instruments.

In terms of accreditation, ongoing liaison with the Murray-Darling Basin Authority is also continuing to support the process of Commonwealth accreditation against the basin plan requirements. Early indications are that this is progressing well and there have been no significant issues identified. The development of water plans has been an important opportunity to influence water reform at the national level and Queensland is now highly regarded by all key basin states for its approach to water planning, particularly the extensive and meaningful consultation and the science that underpins it. Queensland has the only accredited water plan and these plans were submitted on time and we are expecting their accreditation by June.

Lastly, I want to briefly acknowledge the media attention on the Murray-Darling Basin at the moment, particularly relating to water recovery, the mass fish deaths in the Lower Darling and the ongoing drought. None of these issues are particularly within the scope of the water plans or the supporting instruments. The Commonwealth has full responsibility for water recovery. However, the water plans and Queensland's implementation of the basin plan is an important part of the long game for improving water management outcomes across the Murray-Darling Basin. This is particularly the case when you take into account the periodic review mechanisms that are already built into the

Queensland water planning process which are mirrored in the Commonwealth legislation. These review processes already provide for ongoing improvement as more information becomes available over time.

Queensland is also contributing to a number of other national strategies that are more appropriate for addressing these media issues in the shorter term—for example, the rollout of up to $180 million worth of environmental works and measures under the northern basin toolkit program. Queensland is also contributing expertise to reviews into the mass fish deaths as well as the new Native Fish Strategy. That is probably enough. I will hand over to the committee for some questions.

CHAIR: Thank you, Mr Wiskar. I start by saying congratulations, after reading this, in terms of the amount of liaising that you needed to do with all levels, and extensively with the Murray-Darling Basin commission and the Commonwealth government as well. I think you have demonstrated quite well exactly how Queensland leads in this area, so I pass on my congratulations to the department for what is clearly an excellent job.

You talked about what underpins this and that there is consultation and science for that. You have certainly demonstrated that the consultation has been quite extensive, probably more extensive than we have seen in other bodies. In terms of the science—and this is quite topical at the moment—can you emphasise the importance of having that independent, rigorous and extensive scientific process at the centre of what we do with water plans?

Mr Wiskar: I think I have talked about this previously with the committee. The work that DES does and the fact that we centralise science around water planning in a separate agency is a real strength. It provides a centre of excellence to this work. In terms of developing these plans, DES has developed and looked quite extensively at indicator species. What they do, effectively, is look at all of the flora and fauna across the basin and then pick particular species that are indicator species, and that then correlates through to how we set the rules in the plans and then they monitor that work as we go forward. I think that is a very strong demonstration of the level of work. I might ask some of my colleagues to perhaps talk a little bit more in detail. Di, you might want to just add some thoughts there.

Ms Wood: Yes. The process that the scientists at DES use is published in a peer reviewed paper. They go through quite an exhaustive process and it is a risk based process. In terms of the assets that they choose, they have done a lot of literature reviews as well as on-ground confirmation of that scientific information in the basin catchment itself, such as refugial waterholes—so in drought times when the fish are surviving in isolated pools. They have done a lot of field work in the Condamine-Balonne and Border Rivers areas to confirm the scientific details that go into their assessments. As well as that, once they have done their risk based assessments, they are peer reviewed. They go to independent scientists not connected directly with them, and some of them are overseas. They have a lot of international connections with scientists, and so these assessments are independently peer reviewed as well. We have a lot of confidence in the process that they use, the information that is input into that process and how it all underpins our rules. The main purpose of these assessments is finetuning our water management rules that are in our water plan.

Mr Wiskar: The staff working for Steve operate the system, so you might want to translate how that works in a practical way on the ground with irrigators.

Mr Goudie: Yes. We are very fortunate in Queensland that we have built up our science base for probably well over a decade now since our first-generation plans, so I think it is fairly safe to say that Queensland is leading the way in how we approach looking at the needs of the environment, particularly related to water management. That is one of the key matters that our scientists are trying to deal with—that is, in terms of looking at these particular assets through the field work that they do to try and determine what changes in water management would potentially drive a change to the environment as opposed to what changes in land management may have an effect on certain things. It is fair to say that land management and water management—all of those things—will drive certain changes within the water environment.

In terms of the key activities that we are doing here—and I do not want to profess to be a scientist in this—the science is looking at the particular assets that people probably will be more familiar with such as species of fish, waterholes and the ability for fish to move between waterholes, so what are some of the impediments, potentially water barriers and all of those sorts of things? They use that information. They do field work to assess certain hypotheses around that and then they can drive through hydrologic models what are some of the changes in water management that we can apply. We can change the rules in our hydrology models to see what the changes might be to the environment. Are we going to tip the environment into the red? Are we going to keep it in the green?

We can look at that in terms of what impact that has on the performance of our water entitlements as well, because we can build through our models an idea of what the long-term performance of our water take is. It is a fine balance that we are trying to achieve. When you look at potentially tweaking rules, which is what I guess you are trying to do in a water plan, if the environment seems to be suffering in a certain way, is there certain tweaking that you can do to have a windfall gain with some of that? In some water plans we do achieve that. We have gains both for the environment and for water users when you drill down into some of these assessments.

Mr WEIR: You talked about the Condamine-Balonne and the take of 878 gigalitres. Is that covering above and below ground? Is that the entire take out of the basin? That is overland flow.

Mr Wiskar: That is surface water, I believe.

Mr WEIR: That is just surface water?

Mr Wiskar: That is right.

Mr WEIR: There has been no reduction to the take through these measures?

Mr Goudie: That is correct.

Mr WEIR: With underground, there has been a difference? I come from the Condamine Alluvium and I know that the landowners have been active in that space to try to make it sustainable. What reduction has there been there? You talked about water trading. Where does the value of that water come from? Is it just driven by the market itself, or is it government in its buybacks? How does it work?

Mr Wiskar: Steve and John were instrumental in the Condamine Alluvium, so I might get them to answer that one first and then we will turn to the water trading question.

Mr Ritchie: There are two factors operating here. As you say, Mr Deputy Chair, the long-term reduction or management of the water entitlement, which the irrigators have been very heavily involved in, has been really through announced entitlements on an annual basis for their water access. That has gone down over the years through the hydrology and all the science work to get a better understanding of what the sustainable diversion limit is before the basin plan. That is one thing that has been happening. The other component is the Commonwealth water recovery. That will reduce the entitlement by about 50 per cent—down from 86 gigalitres to about 40 gigalitres or thereabouts. That was a voluntary process brought on by the irrigators. That is where that sits.

There are two factors on pricing. One is the permanent trade. An irrigator who has a water entitlement—and in this case it is a tradeable water licence—can trade that among the other irrigators. That has been going on. There is only a very low turnover. That is one of the things that made the Commonwealth water recovery so difficult. There really is not a price set over a large number of trades, similar to what there is in the southern basin and to some degree in the Border Rivers with supplemented water there. There has been some trade from irrigator to irrigator. That provides the price. Even though they are only licences, they are long-term licences, so you call that a right. People are trading the right. They set the price for that themselves. That is the permanent. The second one is temporary trading. As that comes onstream, that will be for where you might trade some water to me for that year for me to use in that year. That is a different price but, again, that is set purely and simply by negotiation with the irrigators.

We have no part in how the Commonwealth set the price for the water buyback process. They handle all of that, taking into account, as we understand, the prices from the trading that had happened between irrigators and also they get their own valuers in to assess.

Mr WEIR: Yes, because it would have to be competitive to be in the market if they were looking to purchase water.

Mr Ritchie: Yes. If you go back to the history of it, when the Commonwealth first announced its tender I suspect it had a price in mind. Its price was here and the irrigators' price was here. Over time, that came together. Before the big buyback exercise that we are currently in the middle of, there was some purchase through open tenders without this fixed price that the Commonwealth has offered now.

Mr WEIR: All areas in the Condamine Alluvium are in the Condamine-Balonne underground water catchment. Are they all tradeable now? Particularly in the basalt areas, they were not tradeable.

Mr Goudie: We have introduced the ability to trade in a number of the groundwater management units. In particular, the Central Condamine Alluvium is able to trade, as is the Oakey Creek Alluvium and the Dalrymple Creek Alluvium, where there is more certainty around potential

impacts from water trading, because water trading in groundwater is quite simply moving the locations where you can take more water from a certain point. We have to manage that carefully to not cause a third-party impact to nearby bores et cetera.

You mentioned particularly the basalt, or Main Range Volcanics, which, for other members of the committee, is really the Great Dividing Range from Warwick through to Toowoomba and north of Toowoomba. It is a fractured rock system. There is potentially a threat of impact if you are not carefully managing trading in that sort of groundwater environment. Potentially, you can drill a bore two feet away from another bore and have no impact. You can drill a bore five kilometres away from a bore and it can have a massive impact, because it is following a fracture. We tread a bit carefully in some of those systems when introducing water trading. As we evolve our understanding of some of those systems, sometimes we go cautiously in terms of putting in some what I might call interim trading rules or temporary trading rules at times to try to see if we can manage something in a way that is a bit more sustainable. That is certainly something that we have not embedded in this particular plan for the basalts at this stage.

Mr WEIR: Is that still a work in progress? I also ask about time frames in relation to volumetric measuring.

Mr Goudie: Again, that is certainly an issue. As part of the implementation of these water plans—and even before that—we will be rolling out meters. As part of the process of having all of these entitlements becoming volumetric, it is important that we have the appropriate tools to measure that people are doing the right things. We have a program that we have put in place over the past few months to start to progressively put meters in various areas. We have been doing that in consultation with the industry, particularly with the water users themselves but also with the metering industry. One of the issues that we are facing at the moment is that New South Wales has a very ambitious program of rolling out water meters across the state of New South Wales. That started on 1 April this year. That potentially could absorb a bit of the industry's attention at the moment as something in the order of 100 water meters per week have to be installed until 2025, which is rather an ambitious target. We are constantly looking at those things and ensuring that the industry has confidence in what we are doing, that it can progressively install water meters.

Mr Deputy Chair, there are certain areas that may be familiar to you, around the Nobby area, where we have seen some concerns about groundwater levels. We are going to be starting processes fairly soon to roll out water meters in those areas.

CHAIR: We will extend this session by five minutes. We still aim to finish by nine. Are there any further questions?

Mr WEIR: How does the catchment of agricultural run-off—that is, chemicals or fertiliser—fit in with the overall take of overland flow? Is that above that, or is it part of the overland flow take?

CHAIR: That is for catching the contaminated—

Mr WEIR: The contaminated run-off.

Mr Wiskar: The contaminated agricultural run-off catch dams are there as a provision of the EP Act to protect waterways from pollution. I will get John to talk about how it is handled in an accounting sense. We are trying at the moment to make sure that the environment is protected so that pollutants do not reach waterways, but at the same time we have committed under these plans to ensuring that we maintain the sustainable diversion limits. It is a bit of a balancing act to achieve the two objectives at once.

CHAIR: You mentioned this being used to circumvent some of the provisions in the water plans—whether it is truly catching agricultural run-off or, as I said, it might be serving as a mechanism to circumvent everything else. That may help you with your answer.

Mr Ritchie: I think you have to recognise here, as David said, that there is a tension between the EP Act and the department and the water plans not being overly prescriptive about how a person designs and operates their farm. One of the key basic tenets of water planning has been to get us out of regulating how an irrigator operates his farm. It is an important tenet that underpins some of this. To answer your first question—Steve, correct me if I am wrong—the overland flow and our estimates of contaminated agricultural run-off in dams are included.

Mr WEIR: Yes.

Mr Ritchie: That is the simple answer to that.

Mr WEIR: As you do to take overland flow, do you need a licence to capture agricultural contaminated run-off?

Mr Goudie: You do not. You need a development approval, which is done under the state development approval provisions for the works. That is no approval for the water, per se, in that situation. It is probably fair to say that the perception of this can perhaps be a bit grander than it is. It is a bona fide need for people to make sure they do not cause harm to the environment. Those provisions have probably always been in the EP Act. In terms of the provisions that people have applied under the state development process to put in works to capture this contaminated water, over the past 10 years or so that those provisions have been in place we have seen, I would say—I cannot quote you numbers here today at this committee—not a huge explosion of this development. It can appear in some cases, when it is next door to you or whatever, 'Where has this come from?' I wish to say that it is not rampant activity in that area, but it certainly is an area where, because there is a perception that this is an uncontrolled take of water—and we cannot have that occur with the basin plan really adhering us to sustainable diversion limits here, which is accounting for all forms of surface water take—we have to try to manage that in a way that is reasonable and gives people confidence that we are not going to somehow have to pull a lever 10 years down the track to say, 'We have allowed all of this expansion; therefore, we are going to have to do something to reduce everyone's take.' I do not think it is as big as people think it is but, by the same token, we are trying to address that through the development approval provisions to try to maintain—

Mr WEIR: I think that is what creates the confusion out there—the different processes.

Mr Goudie: Yes.

CHAIR: Would it be possible—and this could be a question taken on notice—to get the number of dams or structures that have been done to capture contaminated agricultural run-off?

Mr Goudie: Certainly.

Mr Wiskar: The other thing I will say is that we have taken a number of actions. We made some changes in the MWOLA legislation to signal what was required here. We are also making some changes to the development approval process at the moment. It is a balancing act between managing the water resources effectively and allowing people to control pollution run-off to rivers which is obviously a public good. The health of the river is linked to that as well. I am happy to provide some further information.

CHAIR: We will take that as a question on notice.

Mr MADDEN: Before I ask my question, I would like Mr Wiskar to clarify something. When you spoke about the studies with regard to environmental matters, you mentioned DES.

Mr Wiskar: That is the Department of Environment and Science.

Mr MADDEN: I just wanted to clarify that for the record. The legislation requires the department, in developing its resource water plan, to achieve a balance between economic, social, environmental and cultural issues. Could you outline how that balance—and 'balance' is an important word—is achieved, particularly with regard to social and cultural issues?

Mr Wiskar: We have spent a fair bit of time this morning talking about the starting point for understanding the needs of the environment. We do similar work to understand the economies and social needs of the regions. If I use the work that we did in consulting with traditional owners as an example, those consultative meetings involved those communities telling us what their requirements were for their culture and for their social needs. We then tried to look at how the plans can deliver on those.

The best document that I can point you to is the risk assessment. In one column we have a list of things that the community has said is important and then we have identified how that can then flow through into how the plan manages water and tries to protect the things that they have said are socially and culturally significant. That might be done at a big-picture level, but it might be something as simple as when we will allow people to start pumping and at what levels extractions can happen in a flow event. It might be things like allowing first flush aspects in our water plans. It is about sitting down with communities and identifying what they want at a quite tangible level and then linking that through into the plan as best we can.

Mr MADDEN: In terms of water security for our towns, does that come under social aspects—ensuring they have water in their tanks in those towns?

Mr Wiskar: I think it is a key priority of the government to protect urban water supply. I think it covers social, cultural and economic aspects.

Mr MADDEN: I thought that as well.

Mr Wiskar: We obviously have an allocative process which protects that water. We have also allowed for additional town water supply where we see potential growth.

CHAIR: I think they are great examples of that balance.

Mr MICKELBERG: In relation to the environmental flow objectives and the water allocation security objectives, on a yearly basis is the decision driven by the computer model simulations? Is that how you determine whether or not you are going to scale back allocations that year?

Mr Goudie: Those tests that you refer to—the water allocation security objectives and the environmental flow objectives—are tests that effectively apply if a decision is being made. A classic decision is a trade—when someone comes in and wishes to move an entitlement from point A to point B in a river system. The rules are quite open to being able to do that. We effectively use our hydrologic assessment process. The WASO, the water allocation security objectives, is a third-party impact test. If we move an entitlement from point A to point B, it is about ensuring that will not have a third-party impact. It is an assessment done at a point in time, so it does not apply on annual basis.

The EFO, the environmental flow objectives, is again a measure of what is the flow regime that is meeting certain environmental requirements from the science work that has been done. Again, using the trade example, if we move an entitlement from point A to point B, it is about ensuring we are not moving something into a place that may diminish part of the flow regime that might tip that environmental indicator over the edge. We apply those objectives to a decision on a point-in-time basis.

Mr MICKELBERG: I suspect that this is not a new provision but this is just for clarity. Section 38 of the Condamine-Balonne plan talks about a limitation on taking water from an underground water management area. I take it from that that you cannot drop a bore unless you are replacing an existing one. Do you require a water licence before you can do an exploratory bore that may or may not be successful?

Mr Goudie: That is an interesting question. Certainly in the past people have had to get a water licence—we have issued a water licence with a zero entitlement for them to go and do some exploration. There have been changes in terms of the development approval process. People are able to drill to explore and be able to use it because they may be trading water or whatever. There is an expectation that people are still able to drill new bores to find water and use the trading framework if they do not have an entitlement. The person may have an entitlement because they may be replacing the bore or whatever. Those provisions continue.

CHAIR: Thank you very much. The time allocated for this session has now expired. We have one question on notice. If we could have the answer to that question on notice by 10 am on Monday, it would be appreciated. Thank you all very much.

The committee adjourned at 8.51 am.