




Speech By  
**Stephen Bennett**

**MEMBER FOR BURNETT**

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### **WATER (LOCAL MANAGEMENT ARRANGEMENTS) AMENDMENT BILL**

 **Mr BENNETT** (Burnett—LNP) (3.51 pm): This bill continues the work started in stage 1 in 2012. A lot of us were involved early with the concept of local management. Some have spoken today about how long that conversation has been going on. More importantly, a lot of people discovered that local management, with locals in charge, was a positive step in driving efficiency and, more importantly, affordable water.

While I acknowledge the bill and the statewide changes it makes, I will discuss mainly the Wide Bay-Burnett area and the water supply issues that confront us. The Wide Bay-Burnett water supply area covers about 53,000 square kilometres including 30 identified population centres in seven regional and one Indigenous councils.

As far back as 2004, the region's water strategies and management had a renewed focus. By signing the National Water Initiative agreement, the Queensland government committed to work with the Commonwealth to progress national water reform. On 18 April 2004, we saw strategies which included funds for regional water supply including arrangements for the Wide Bay-Burnett. This was around an extended drought period that emphasised the increasing water demand in the region. It was identified that demand for water will increase and increase rapidly, with demand for urban water supplies across the region expected to double in 40 years, hence the focus on water efficiency and projects to reduce the demand for urban water supply. Rural demands, mostly in the Lower Burnett—some 69 per cent—to support mainly sugar cane are expected to increase with good practices and favourable conditions such as improved forward sales pricing. There are challenges, such as sugar being a suitable crop for ethanol or increased competition from other crops such as macadamias, vegetables, citrus, other tree crops, lychees, mangoes and peanuts.

Potential exists across the strategy area to expand agricultural production if water is available. We know that there are in excess of 30,000 hectares of suitable soils in the Bundaberg water supply scheme that have potential to be further developed if water is available. Our region needs water management arrangements to achieve optimal social, environmental and economic outcomes.

We note that this bill continues the work started in 2012, being introduced on 13 September 2016. The bill applies to the Bundaberg, Burdekin, Eton, Emerald, St George, Theodore, Lower Mary and Mareeba irrigation schemes. When the Bundaberg region went through this last time, we did experience negotiations for the scheme's proponents that identified sticking points on the separation payments on a viability measure. I believe now, as I did then, that the long-term benefits were worth the payments. I look forward to successful outcomes in this space. If the bill passes, negotiation of separation payments with the proponents will commence. I understand that there is some funding for separation payments, as advised in the budget, but we do not know how much has been allocated.

Currently, water schemes' revenues do not cover operating costs, as has been reported earlier by other speakers. Gaps are met through community service obligation payments to SunWater. As schemes usually run at a loss, it will be necessary that transfers happen with sufficient separation payments to ensure financial viability. There will be a focus for irrigation schemes to increase revenue and to reduce costs. That is why these schemes are so important.

This bill proposes an exemption from state taxes, fees and charges relating to any transfer of the businesses, assets and liabilities of SunWater to local management. The objectives of the bill are to amend the Water Act 2000 to facilitate the restructure and transfer of SunWater's channel irrigation schemes to local management arrangements. The SunWater channel irrigation schemes and the regional network of the bulk water supply infrastructure are vast, supplying some 5,000 customers in mining, power generation, industry, local government and, importantly, irrigated agricultural enterprises. We have local management in other states such as New South Wales, South Australia and Western Australia, in line with the National Water Initiative, and other early agreements to investigate how alternative ownership and management controls by local irrigators can work and should work.

Agriculture is vital to regional Queensland and the Wide Bay-Burnett, and dependencies on water resources are high, with intensive irrigated agriculture and many businesses expanding at an ever increasing rate. Our growing population also requires a secure supply of drinking water for the future. Also, the tourism industry is dependent on the region's water resources in part through the utilisation of rivers, lakes and dams for recreational purposes. The Wide Bay-Burnett is Australia's premier tourist destination, contributing to the state and national economy. Tourism in the Wide Bay-Burnett contributed approximately \$9 billion to the Queensland economy and accounted for 5.8 per cent of Queensland's gross state product.

Regional growth and social wellbeing are dependent on the supply of secure and sustainable water supplies. The fact that water resources are often highly variable means that water will affect economic production. Water must be used efficiently and allocated to the highest value use in order to improve both economic and environmental outcomes. Identifying solutions for meeting future water needs in my electorate has been a challenge, given the requirement that the supply objectives are met at an affordable cost to the community while at the same time being environmentally and socially acceptable. Cost is a big issue and it needs to be continually challenged.

In conclusion, I acknowledge the stakeholders and the work that has gone into progressing the legislation, even during the delays over the past year or so. From reading the submissions I note the strong desire for a sensible outcome. Submissions noted that preliminary due diligence has identified a number of matters that will need to be resolved prior to the transition to local management including issues related to land tenure and drainage charges. It is noted that the bill does, for the most part, deal with these issues. There are questions as to what legislative solutions may be required to support the transition, particularly to address existing gaps in tenure. Until detailed due diligence has been completed, the success of local management will depend on the new management entities holding secure tenure. We all hope that, where necessary, further legislation would be contemplated where the due diligence process identifies a need for it.

Several submitters wished to emphasise the importance of the new local management entities having flexibility on how they operate the schemes going forward. This flexibility will be critical to their long-term viability and ensure that potential benefits from local management are realised. This relates to, among other things, the capacity of the new entities to set their own prices for water distribution; the capacity of the schemes to expand to support further development; and ensuring that any legal issues within the schemes are addressed prior to transfer where possible so that they do not become a constraint on further operations. We commend the bill to the House. We support the bill. More importantly, we support the outcomes for our region.