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HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON  
AGRICULTURE, FISHERIES  
AND FORESTRY

29 August 2002

Ian Dundas  
Committee Secretary  
House of Representatives Standing Committee on Agriculture, Fisheries and Forestry  
Parliament House  
CANBERRA ACT 2600

Dear Ian

**Re: Future Water Supplies for Australia's Rural Industries and Communities**

Thank you for your letter of 4 July 2002 seeking submissions in relation to the above matter.

**Brisbane's key areas of policy interest include:**

### 1. Sustainability

Government policies have historically failed to produce sustainable rural water supplies, in economic, environmental and ultimately, social terms. For example, the Lockyer aquifer is being pumped out at twice the sustainable rate, contributing to major economic and social dislocation. Current rural water use policies are seriously degrading productive land and water bodies. Brisbane submits that future policies should aim to be truly sustainable by ensuring:

- no further exacerbation of ecological impacts, particularly through overuse, inefficient use and unnecessary impoundment, and associated pollution, erosion, sedimentation and loss of connectivity and environmental flow; and
- long term economic and social security by minimising dependence on subsidy and the intense use of energy sources which may increasingly be unacceptable or unavailable.

### 2. Underpricing

The underpricing of water has clearly contributed to the current gross inefficiency of water use and related problems of salinity, erosion and supply insecurity. Underpricing also hinders innovation in water re-use and efficiency technology. Abrupt removal of long standing subsidies would seriously impact dependent rural communities, however, their continuance in the current form of underpriced water is clearly threatening their survival by promoting inefficient overuse of water, aquifer and river depletion and downstream environmental and economic impacts and conflict with downstream users.

A gradual transition to true pricing is essential, with adequate assistance provided in other forms eg. training, efficiency technology, cash grants, low cost loans, for rural producers to survive the transition. This would promote competitive efficiency in international markets, by contrast with the current system.

Importantly, it would significantly boost innovation in water services and investment in water use technology, including greater re-use of water. This would, in turn, ease the impacts of sewage outfalls.

### **3. Technology**

In the current distorted market, it may take government intervention to prevent market failure resulting in poor choices of technology eg. flood and spray irrigation versus trickle irrigation. A scheme to levy wasteful water use to fund the research, development and implementation of efficient and sustainable use could be considered. Low energy use should be a central aim.

### **4. Trading**

Optimal distribution of regulatory compliance costs regarding water use and discharge should be fostered, eg. through trading of water use and discharge rights (eg. for nitrogen) should be considered.

### **5. Urban water policy**

Rural water policy cannot be considered separate from urban water policy. Urban users (domestic, commercial and industry) usually compete for the same water as rural users. Urban use is drastically underpriced and inefficient, like rural use, however, the move to metered pricing in SEQ is improving this situation. An enormous quantity of stormwater and effluent is available for harvest in cities but policies to drive this are hindered by lack of policy co-ordination between levels of government eg. effluent re-use in sewerred areas, rainwater and stormwater use, industry subsidy policies etc.

To the extent that urban water use is inefficient, rural water supply is diminished and rural cost structures increased, further hindering the transition of rural industry to sustainable efficient water use. Catchment hard surfacing for urban development depletes aquifer infiltration and degrades water quality. This can be addressed through infrastructure charging schemes but federal and state support would be needed to ensure regions don't compete by underpricing such factors.

### **6. SEQ Activities**

Brisbane City Council has a strong interest in water supply planning and is involved in many initiatives in South East Queensland. In cooperation with its South East Queensland Regional Organisation of Councils (SEQROC) member colleagues and State agencies, Brisbane City is currently undertaking the development of a Water Supply Strategy for the South East Queensland. The Strategy will be developed under South East Queensland's 2021 "Regional Framework for Growth Management" (SEQ 2021).

The Strategy will seek to assess the future needs for the safe and reliable supply of water in the region, review the processes and mechanisms available for meeting those needs and develop strategies for achieving optimum outcomes in social, environmental and economic terms. The Strategy will set a firm basis to inform the preparation of the Queensland Government's Water Resource Plans for the region, identify future regional water infrastructure requirements and identify regional policy, planning and information requirements. It is also expected that the Strategy will address policy issues associated with reduction of water demand, reuse and recycling of water in response to the National Water Reform Agenda and emerging environmental opportunities.

An important aspect of this Strategy will be the security of rural water supplies in the region. The cost-effective availability of water in the region may ultimately provide a constraint on growth in these areas and the Strategy will seek to inform and facilitate regional development and land planning in this regard. Smaller rural communities often lack the resources to resolve complex issues necessary to identify the best water supply solutions. The SEQ2021 Rural Futures initiative has identified water as being one of the most significant issues to be addressed for rural prosperity in the region as ultimately, "water = jobs". Recent times of drought have further emphasised the importance of water to the rural community and the necessity for planning to mitigate drought impacts to the greatest extent practical.

South East Queensland Councils, through SEQROC, are in a strong position to provide rural communities with effective support in the water supply strategy development processes. Councils have recently completed, in cooperation with State agencies, industry and the community, the first coordinated Regional Water Quality Management Strategy for the region. This process involved direct links to rural communities and industries through representation and advocacy at decision-making committees and face-to-face consultation activities. A key aspect of the decision-making and consultative processes was the opportunity for all stakeholders to participate in a collaborative and coordinated approach to the scoping, gathering and communication of scientific information. Implementation of the Regional Water Quality Management Strategy is now being carried out through the Moreton Bay Waterways & Catchments Partnership, based on continuation of these important scientific and community involvement process involving rural communities. The Partnership is also seeking to develop effective links between these successful processes and the Commonwealth's National Action Plan and Natural Heritage Trust investment programs.

The Commonwealth played a fundamental role in the development of the region's Water Quality Management Strategy through the provision of "seed" Natural Heritage Trust / Landcare funding, technical guidance and the political / social "imprimatur" to help parties to work together. The Commonwealth's assistance would also greatly assist regional Water Supply Strategy development and assist effective decision-making in relation to the future viability of water supplies for rural communities in the region. This assistance could be in the form of direct participation in the planning process, provision of technical advice and financial support for research programs.

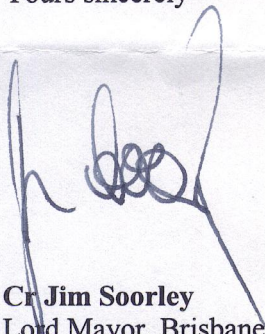
Major issues to be addressed include:

- Assessment of the social, economic and environmental costs of various water use options versus the societal cost of potential rural industry decline;
- Implementation of effective regional environmental planning processes; and
- The impact of the National Competition Policy and National Water Reform Agenda.

Council both directly and through its membership of the Cooperative Research Centre for Catchment Hydrology is undertaking research activities which will improve weather forecasting reliability.

Council would appreciate the opportunity to make more detailed information available to the inquiry as the water supply planning process in South East Queensland progresses and to participate in the future activities of the Committee. Please contact Mr Barry Ball, Manager Water Resources, Brisbane City Council, on (07) 3403 4870, in this regard.

Yours sincerely



**Cr Jim Soorley**  
Lord Mayor, Brisbane City Council  
Chair, South East Queensland Regional Organisation of Councils  
Policy Council Member, Moreton Bay Waterways & Catchments Partnership