

*12<sup>th</sup> Australian Cotton Conference*  
*“QUALITY COTTON” – A Living Industry*  
*10<sup>th</sup> - 12<sup>th</sup> August 2004, Gold Coast Convention & Exhibition Centre*  
*Broadbeach Qld.*

## **A regional perspective on water reform in Queensland**

Adam Loch  
Locharbor Holdings Pty Ltd.  
Fitzroy Basin Food & Fibre Association Inc.

### **Introduction**

It has been ten long years since the CoAG reform agreement was first formalised between the state and federal governments. In that time much has changed including how regional parties today approach and affect discussion on water reform. In the early days both sides (government agencies and water users) approached with caution, then anger, which was followed by consideration of fact, some more anger and then more recently a desire on both parts to listen, accommodate and try to achieve workable solutions.

At least that is how it has been in the Fitzroy Basin, which covers approximately 142,000km<sup>2</sup>, is Queensland's largest externally draining basin, home to seven major river systems, over 1400 licensed water users and innumerable plant and animal species. With such area and diversity it becomes easier to comprehend the enormity of the task that faced agency staff when they first addressed water reform in the Fitzroy, but at the time department officials felt it would only take six months. That was in 1997 and the participants are still tackling these issues today.

The process has been long, the consultations many with mixed results, participants increasingly difficult to find, budgets cut during the process and fewer from industry coming back to the table each year. Despite all this, the results of engagement between industry and government in the Fitzroy have been impressive, and this paper highlights some of those achievements and the processes by which they were gained.

### **Overview of water reform in the Fitzroy Basin**

It is difficult to say whether state governments would have begun the process of water reform if the federal government had not held them to ransom financially but now that they have started reforming it seems, in Queensland at least, that their determination to change natural resource management knows no bounds.

The Fitzroy Basin was to be Queensland's first reformed catchment, a beacon of change for others to follow. It is obvious now that to select the state's largest catchment as a starting point was probably a little ambitious, but stakeholders are grateful for the current position. Reform in the Fitzroy began with

extensive consultation and the formation of a community advisory panel (CAP) comprised of the major stakeholders in water including irrigated agriculture, grazing, mining, environmental groups and local government. Over the course of several months this group in conjunction with regional agency members formulated a set of policy and reform recommendations which were submitted to government for consideration. In a blow to consultative confidence these recommendations were roundly ignored and the first wedge between stakeholders and the department was driven home.

Following this consultation a draft Water Allocation and Management Plan (WAMP) for the basin was written and presented to stakeholders at various forums throughout the region. At its broad and over-arching level, the detail of this plan was difficult for 'grass-roots' water users to comprehend. In addition, regional stakeholder groups were still at an embryonic stage with regard to water reform, and so could not provide adequate interpretations of the detail either. Over the next few months this plan was considered and discussed, but little formal submission was made on the detail, and the broad environmental and security objectives contained therein were left largely unchallenged. The frame or the resources to affect change at this time simply did not exist.

In December 1999 the final WAMP for the Fitzroy Basin was released and the water allocation security objectives (WASO's) and environmental flow objectives (EFO's) for the catchment came into effect unaltered in any way. Thankfully the plan did not include the resumption of water resources from current users as has been suggested in other catchments, and in fact identified several river systems where additional allocations of water would be made available in future. This did not please environmental groups, but water users were equally unhappy about the reductions in development options along waterways which were stretched to capacity already. Since both sides claimed they were disadvantaged, the department felt they had achieved a reasonable middle ground with the plan.

More consultation followed, and the final plan detail was studied again by those who had in the interim at least become better acquainted with reform issues and regional water facts. Interestingly, the plan did not provide for controls on overland flow in the basin, this power having been left out of the new Water Act 2000. After modeling overland flow requirements along the Comet River into the plan, some of the original water identified for future release along the Comet/Nogoa/Mackenzie system (40,000 ML's) was subsequently withdrawn and further development options along the basin's key supply scheme were reduced to nil. This drove a second wedge between water users and the department/government that were now perceived as, at best, under-resourced for the task or, at worst, buffoons.

The reality, as in most things, lay somewhere in between. The department had believed itself capable of addressing water reform without engaging the community stakeholders fully for solutions, and had not harnessed a viable and cheap resource of stakeholders who were willing to help address the issues. In addition, the stakeholders were still unable to organise themselves into a group capable of meeting the departments' planning and the governments' policy needs. Both problems needed to be resolved.

With the WAMP (now renamed the Fitzroy Basin Water Resource Plan or WRP) in place the department now turned its attention to the drafting of a Resource Operations Plan (ROP) for the catchment. This document was intended to formulate and detail the operational rules that would govern water supply (allocation water) schemes and water management (water harvesting) areas within the basin. The strategies in this document were to be responsible for meeting the WASO and EFO objectives set down in the WRP. In addition, water users' allocations would be clearly spelt out and authorized in perpetuity, something which was of particular interest to all. The detail of this document would be operational in nature, and therefore easier for water users to comprehend and challenge, but irrigators still lacked a framework for catching departmental and/or government attention and for pushing their case forward.

## Regional Groups and Processes

While the department started work on the ROP in early 2000, irrigators decided to act as well, meeting to discuss the formation of a representative group similar to that established in the Border Rivers area. While ahead of the game in terms of a WRP (Border Rivers irrigators still did not have a WRP in place when BRF&F was formed), the fact that Fitzroy users were not facing water resumptions had resulted in a fairly relaxed state of affairs, and the need for a proactive group like BRF&F had been a low priority. Now however, the mood changed and the call for a Fitzroy Basin Food & Fibre group (FBF&F) was heeded.

In October 2000 a core group of irrigators formulated the key principles behind a group that would represent all water users in each of the seven Fitzroy Basin sub-catchments. Representatives from each sub-catchment were sought and the first management committee formed. In May 2001 the group was formally incorporated, and by that time had gained considerable momentum. The formation of the group was welcomed by the department and other regional natural resource bodies who wanted irrigation representatives to be present on their boards or discussion panels.

By the time the draft ROP was released in December 2002, FBF&F had helped to address a variety of issues to government, but little in the way of outcomes had been achieved. The department became keen for FBF&F to take a lead role in discussion/consultation over the ROP and to drive irrigator submissions on the content. At this time, a small group of irrigators was set the task of reading the document and providing feedback for submissions to the group, and after only a short period it became obvious that the document held serious problems for the irrigation community. One key problem was the proposed first post winter flow event (FPWFE) strategy that would see large volumes of water released from the Fairbairn Dam to meet EFO's on an annual basis. This one issue created enormous discord between the department and stakeholders, again creating division between the two, and threatening to be the final end to consultation on water reform in the Fitzroy.

After several meetings and endless circular discussion FBF&F decided to send a delegation to the Minister in an effort to break the ROP stalemate. Up until now the attitude of the group had been

adversarial, preferring criticism and accusatory tone to solutions and mediation. Several in the group felt this could not last and that a major attitudinal adjustment was needed for future success. The Ministerial meeting did not go well to start, with the government feeling that they had been treated unfairly and the FBF&F representatives also plagued by mistrust. In the end however, the new attitude and a proposed solution to the problem by the group won the day. The date was February 18<sup>th</sup>, 2002 and it heralded a sea-change in regional management of water reform for the Fitzroy Basin.

Following that meeting, a regional sub-group dedicated solely to discussing and addressing problems in the draft ROP was formed at the Minister's request. The working group, as it was known, was to be hosted and chaired by the region's own natural resource stakeholder group, the Fitzroy Basin Association (FBA), and would consist of representatives from the department and from the irrigation, grazing, environmental and local government sectors. With no more than 7-8 full time members the idea was to set in place a quick working focused group that could grasp and deal with the issues immediately. The group started meeting in April 2002, discussing and addressing a broad range of ROP document and external issues along with solutions to problems.

Like BRF&F and Smart Rivers before it, FBF&F realized that it could not hope to achieve real change in the ROP without engaging serious help, and so in March 2003 they contracted the help of three consultants to analyse the ecological, hydrological and socio-economic impacts of the draft ROP. These findings were to form the basis of the final submission from FBF&F on the ROP document. Without such assistance and credible critique of the ROP content, it is likely that the department might have found a way to overlook their concerns once again. But with the working group came a new attitude by both parties toward working together, and indeed the FBF&F consultants worked just as closely with the department as they did with the group members. This working group still exists today and is dealing with the finalization of a number of longer term ROP issues (monitoring among them), but it is envisaged that this group will disband sometime during 2004-05, its job having been achieved.

In the end, significant alterations were made to the ROP document and most of the problematic strategies changed to reflect practical water use realities, most with the department's full endorsement. Monitoring issues under the ROP framework remain of concern, and a sub-group of the original working group has now been tasked to deal with this area. The new Fitzroy Basin ROP was released in January 2004 with several small mistakes still appearing in the detail, but with a process well and truly in place to deal with such matters.

## Other regional participation and success stories

FBF&F has now turned much of its attention to dealing with overland flow (OLF) issues in the Fitzroy, which have become the next big hurdle in the water reform agenda. As mentioned before, the government had not given the department an appropriate head of power under the Act to deal with OLF issues in the Fitzroy, and so these were not included in the WRP or ROP documents. These issues must now be posthumously dealt with and included in subsequent versions of the WRP and ROP.



The establishment of the working group, FBF&F's attitude toward full engagement of all stakeholders and the focus on finding solutions to problems has put the group in good stead throughout the OLF and other more recent water reform processes. FBF&F has become the lead organization for irrigation issues in the Fitzroy, and has recently played a key part in specifically formulating departmental policy at the regional level, as well as having input into state policy on relevant OLF natural resource issues. The department has realized that they do not have all the answers, and have asked for FBF&F's input into strategy and code development. So too, FBF&F has recognized that the department is not adequately resourced to address every issue on the reform agenda at once, and so they are willing to work on the issues as and when they come up for discussion, avoiding the temptation to be critical of departmental efforts wherever possible.

FBF&F has also played a part in assessing and altering the regional natural resource management plan with and for FBA, and is a key participant in the sustainable regional water supply strategy that has been recently put in place by the department to identify and resolve future water demand requirements for the region. None of this would have been possible if FBF&F had not taken the steps to change the way it engaged with government, the department and other regional groups in 2002. The shift toward finding and promoting solutions to problems facing both water users and policy makers alike has been instrumental in bringing about a more harmonious working relationship with regard to water reform in the Fitzroy, and it is FBF&F's aim to keep it that way!

### The future of water reform in the Fitzroy

Several key issues still tease FBF&F from just over the agenda horizon. These include how to deal with the increasingly arrogant attitude of Sun Water and other regional water supply institutions such as Fitzroy River Water in Rockhampton. These corporatised organizations have become the next stumbling block to reaching mutually positive and agreed upon solutions to water reform in relation to issues such as water trading, pricing, environmental monitoring, water efficiency and water supply options or products.

Whereas we fostered a program of mistrust and criticism between water users and the department in the early days of water reform, which has now altered dramatically, this same attitude of mistrust is today endemic in the relations between water users and Sun Water. FBF&F together with the Nogoa-Mackenzie Shareholder Customer Council (a representative group for water users within the regions' largest supply scheme) have in recent times endeavoured to shift this attitude once more toward mutually beneficial outcomes, with little to no success. The problem seems to be the attitude which corporatised organisations take toward external influences over their decision making, and the threat they feel any involvement of groups such as FBF&F poses to their autonomous profit-making arrangements.

Interestingly, if the perception that Sun Water is hard to deal with pervades today, it is compelling to consider the result of Sudaw's entrance to the region if they are finally given approval to build the

Nathan Dam along the Dawson River. Sun Water is comprised of two shareholding Ministers and, through the dividend arrangements in place, has some accountability back to the state government for its actions. A fully private, independent corporation such as Sudaw would have little if any constraints upon its operational policies and customer charter and would be completely averse to any perceived infringement by water user groups upon its actions in the marketplace. Irrigators along the Dawson have long awaited the development of major infrastructure in their region (since the 1920's) and would welcome any move forward in regard to this matter. But FBF&F will be advocating the establishment of concise and enforceable operating rules to ensure a base level of customer supply satisfaction and price control given the potential for monopolistic attitudes by Sudaw toward water supply and pricing. This is the sort of problem regional groups battle now with Sun Water on one level, and dread having to deal with in regard to Sudaw on another.

Still other issues for future consideration include the valuation of properties for rates purposes given the separation of land and water assets, which is still being decided upon by local governments and agency personnel. So too, the issue of mortgage separation and encumbrances held by banking institutions is still on the table for discussion and resolution, with the banks pushing for what can be perceived as unreasonable burdens of work for water users, which does not appeal to many. In addition, water users are still to see the finalization of adequate trading rules or criteria that make transfers, both permanent and temporary in most cases simple to effect between trading partners. This is an increasingly difficult matter, with several regional transfer problems of late adding to the confusion. Finally, the WRP is up for review in 2009, which does not leave a lot of time to review the plans effectiveness to date on objectives, nor to undertake the level of work required to submit suggested changes to the WRP II. We have started to deal with this issue now, but the work ahead seems particularly daunting at this stage.

## Conclusions

At the start of this paper it was highlighted how the Fitzroy Basin is comprised of 142,000 km<sup>2</sup> of land and water resources, seven independent yet integrated river systems and a wide range of plant and animal species. But it is also home a diverse sub-set of human species—the stakeholders who comprise the total water use in the catchment and drive the economic heart of the region.

Stakeholders are a key part the catchment, but in the beginning of the reform process irrigators had lost their influence over how the catchment's natural resources would be planned for, managed and, importantly, run. The government and its agencies have subsequently realized that they cannot achieve change without stakeholder support and that they do not know all the answers. Neither do the stakeholders. Only open discussion and shared objectives will facilitate the attitudes necessary for change – providing far better outcomes than either party involved ever could if operating on their own. The clear answer in the Fitzroy has been to work together to discuss issues, formulate plans and come up with ideas about how to implement change.

What worries a lot of irrigators now is the scope of that change and reform. It may be subtle and slow but it has immense ramifications for all, and particularly for the cotton industry in the future. Whereas before cotton growers may have been helped out of their industry by government if significant problems emerged, today the separation of land and water and the introduction of trading markets has made water and green hectares particularly valuable. Such realities could enable irrigators in the Fitzroy to potentially leave their industries backed by some capital to start afresh, and allow water to be put to other economically viable and appropriate uses. But for those irrigators with no alternative to farming for gainful employment, are they truly any better off as a result of all this reform?

The State Government in Queensland is accustomed to reform now, and we will see many more natural resource use changes before this decade is through. The days of large infrastructure planning and development in regional areas are over, as are the regional community and economic benefits they provide. If regions are to survive and thrive then it will be up to them to determine their fate. We have in Queensland a system of regional planning and management bodies, but it will be the role of stakeholders through those bodies and their own independent groups to continue to set and drive the agenda for themselves and their regional communities.

The old saying that “the only constant in farming is that there will always be change” seems never more truer than now. Irrigators in the Fitzroy now have in place the framework to effect change on their terms and they are unashamedly using it. However, FBF&F must strive to ensure that the process is always fair, and that all water users are treated equitably. That has always been our primary objective and will remain so. In addition, we irrigators must also strive to affect our own futures, by having options and exploring chances for change so that we are also of economic value if things go wrong.

Catchments are more than just water and land—they are people. While government is reforming the water agenda, water users must be reforming themselves to maintain their value as people, and they can only do that by constantly improving their own employability and the economic value of the catchments in which they live. That is the challenge for us all.

