

Executive Director
National Competition Council
GPO Box 250B
Melbourne VIC 3001

1 April 2003

Dear Sir/Madam

2003 National Competition Council Policy Assessment Framework for Water Reform

The Tasmanian Conservation Trust would like to make the following comments on this assessment.

Urban water pricing and cost recovery

This issue appears to be progressing in Tasmania, with the exception of the four large southern metropolitan councils: Hobart, Clarence, Kingborough and Glenorchy. These four councils are yet to introduce consumption based pricing, and subsequently do not identify cross subsidies. Glenorchy City Council has extenuating circumstances in the opinion of the TCT, as it is carrying a very large debt and has a limited resource base. Clarence is making some headway into this issue with its policy of installing water meters on new properties. Hobart City Council has demonstrated a willingness to at least talk about this issue, while Kingborough Council appears to be the least willing or interested to even discuss reform.

As far as the TCT is aware, the Tasmanian Government has made no effort whatsoever to engage in public education and consultation on this issue, leaving this instead to individual councils. Further, there appears to have been misrepresentation on this issue, with the Tasmanian Government apparently reporting to the NCC (as recorded in the 2002 Assessment Report) that Hobart City Council was intending to undertake a number of initiatives when this was in fact not the case. The Tasmanian Government's commitments as part of the 2002 supplementary assessment have also not been met, and the TCT believes that there is no intent to follow through on these. We also believe that the Tasmanian Government is likely to blame the failure to fulfill these commitments on delays in the partnership agreement for NHT 2. This argument, if presented, has no credibility when compared to the level of resources made available to the Water Development Branch (see comments below).

In light of this, the TCT considers the current situation, where the Tasmanian Government reports on behalf of Local Government, to be completely unsatisfactory. We believe that the only way forward is multi-party discussions involving the NCC and both tiers of government.

Institutional Reform

The TCT believes that the roles of water resource management, standards setting, regulatory enforcement and service provision are inextricably linked within the Tasmanian Government and heavily influenced by politics. Institutional separation is cosmetic at best. Debate is almost completely internalised, with little opportunity for community involvement.

The Meander Dam best illustrates this issue. The proponent for this dam is the Rivers and Water Supply Commission (RWSC), which is based within the Department of Primary Industries, Water and Environment (DPIWE). At various stages throughout the Meander Dam assessment and appeal process, the RWSC was represented by and shared information with other units within DPIWE. The TCT has also been denied access to the detail of the transfer of a water licence from Hydro Tasmania to RWSC in order to operate the dam. Hydro Tasmania's role in the preparation of Development Proposal and Environmental Management Plan, and as the commercial operator of the mini-hydro scheme that would be part of the final proposal further confuses this issue. The dam was actively promoted by the Water Development Branch of DPIWE, including coordination of all assessment processes as well as public consultation. Assessment of the environmental impacts of the dam, and the issuing of an environmental assessment report, was conducted by the Environment Division of DPIWE. Approval of the dam was sought by two statutory bodies that are based within DPIWE, the Board of Environmental Management and Pollution Control and the Assessment Committee for Dam Construction. Both of these bodies have two senior DPIWE managers as members. The Board of Environmental Management and Pollution Control delegated final approval of the dam to its chairman, who is also the Secretary of DPIWE. During this process, the Minister for Primary Industries, Water and Environment made repeated public statements in support of the dam, including predicting dates for the start of construction.

The overturning of the permit for the dam by the Resource Management and Planning Appeal Tribunal after an appeal by the TCT raises serious questions about the capacity of DPIWE to both promote and assess water infrastructure proposals such as the Meander Dam. The regular problems that the TCT faced throughout this long assessment and appeal process, including denial of access to scientists and experts within DPIWE, denial of access to documents, and public attacks from the Minister, have led us to the firm conclusion that there has been a premeditated corruption of due process on the part of the Tasmanian Government. We strongly urge the NCC to further investigate this matter.

Public consultation and education on this particular issue has been non-existent. The Tasmanian Government has refused to consider any conflict of interest and has not publicly demonstrated any interest in institutional reform that the TCT is aware of.

Integrated catchment management

With the exception of community driven, NHT funded plans such as for the Brid-Forester Integrated Catchment Management Plan, there has been very little focus on ICM in Tasmania in recent years. The focus of Tasmanian Government policy is purely and solely directed at resource development, and water is no exception. The Water Development Plan (WDP), which is focussed almost entirely on the development of large water storages, has taken the lions share of both funding and resources in recent years. With the exception of the Conservation of Freshwater Ecosystem Values Project, which is beginning to look undeliverable, there has been no counter to this. For example, despite promoting over 150 gigalitres of increased water storage for the sole purpose of irrigation, there has been no assessment of the potential increase in salinity impacts as a result of the WDP.

Natural Resource Management is running seriously behind schedule in Tasmania. The three regional councils have only been established a few months, and the likelihood of regional strategies being delivered prior to the end of 2003 is very low.

Public consultation and education on this issue has been reasonably comprehensive, although details have often been vague. The exception to this is Tasmania's nomination of Priority Projects under the National Action Plan for Salinity and Water Quality (NAPSWQ). The Tasmanian Conservation Trust has been forced to raise serious procedural and eligibility concerns with the Federal Minister with regards to the projects put forward by the Tasmanian Government as NAP Priority Projects. Our primary concern is the fact that these projects were developed within the Water Development Branch of DPIWE, with no community consultation or input. This is contrary to both the spirit and the intent of the NAP. The TCT also believes that the majority of these nominated projects are not priority proposals, and that the Water Development Branch is attempting to avoid any scrutiny of its own activities, particularly the potential increase in salinity impacts due to massive increases in irrigation.

New rural schemes

The Tasmanian Government continues to pursue the proposed Meander Dam, despite approval for the dam being set aside by the Resource Management and Planning Appeal Tribunal in January of this year. The Tasmanian Government's stated intent of introducing enabling legislation has basically entrenched this concept in the mind of water users, distracting from issues of sustainable water management. The decision of RMPAT has clearly and unambiguously demonstrated that the Meander Dam is not ecologically sustainable, as the dam would have significant impacts on two nationally listed threatened species, the Spotted-tailed quoll *Dasyuris maculatus* and the South Esk heath subspecies *Epacris* aff. *exserta*. No effective mitigation measures have yet been proposed for these impacts and the advice of expert consultants ignored. Material submitted as part of this appeal, and subsequent work by groups such as WWF Australia, has also demonstrated that this proposal is not economically viable.

The area of public consultation and education has been completely compromised in the Tasmanian Government's pursuit of the proposed Meander Dam. Public submissions as part of the assessment process have been ignored, and both politicians and DPIWE officials have repeatedly made false and misleading statements about the viability of this proposal. The decision to over ride Tasmania's Resource Management and Planning System by introducing enabling legislation demonstrates that the Tasmanian Government will not tolerate public participation in water development issues, and independent advice on politically favoured projects will be ignored. Neither has the State Government at any stage made any effort to inform the wider community about water reform, NCP commitments, water efficiency or alternatives to large water storage. This has created an extremely adversarial climate with regards to water management in general and generated a very low-quality level of debate with regards to this particular issue.

The TCT has previously made all of its submissions and material available to the NCC as it has been produced, and we ask that this material is referred again if necessary.

Provisions for the environment

In the 12 months since the last NCP assessment, not one Water Management Plan has been finalised. The status of 'active' Water Management Plans, according to the TCT's best understanding, is as follows:

- Great Forester

Original Draft Water Management Plan (WMP) released for comment in March 2002. Amended Draft WMP released for comment in September 2002. It is the TCT's understanding that the final WMP will be very similar to this draft. It is possible that this plan may be completed prior to the end of this financial year.

There are a number of positive aspects about this amended plan. The TCT welcomes the commitment to install water meters and to monitor the impacts on threatened species found in this catchment, as well as tracking land use changes such as the conversion of pasture or native forest to plantation.

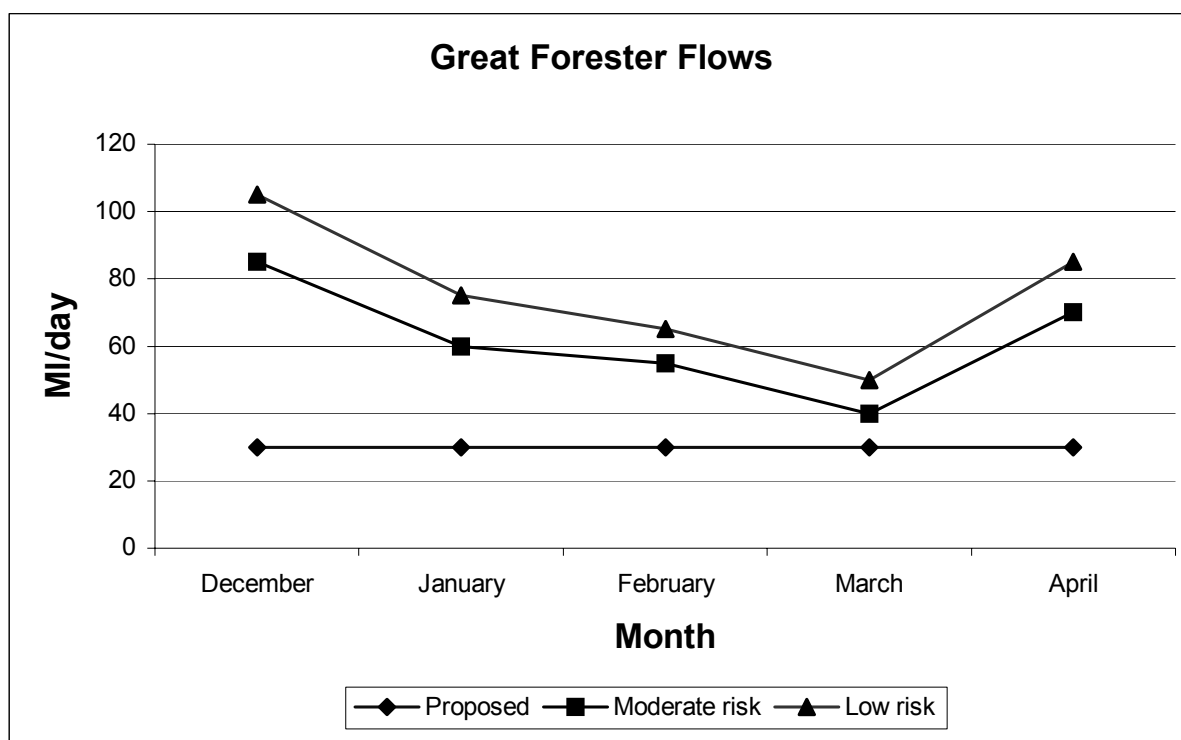
However, the minimum flow levels, referred to as Minimum Managed Flow in the plan, are very disappointing. The suggested level of 30 ML per day, across the entire irrigation period, is only a minor improvement on the current situation. Maintaining this target for three years (the life of the WMP), effectively locks the Great Forester catchment into a situation where there is a high level of risk of damage to the environment until 2006. This is unacceptable.

The TCT has three major concerns with the proposed Minimum Managed Flow.

Firstly, this is NOT an environmental flow regime. As can be seen in the figure below, not only is 30 ML per day significantly lower than the flows that the best current knowledge indicates will result in a low or even moderate level of risk of damage to the environment, this figure in no ways mimics natural flows. In all but the wettest of irrigation seasons, environmental flow levels will not improve significantly under this WMP.

Secondly, this flow regime would appear to be at odds with the requirements of the *Water Management Act 1999*, as well as *National Principles for the Provision of Water for Ecosystems*. In our view, the Tasmanian Government will be in breach of its obligations as set out in Sections 6 (2), 8 (1) and 8 (2) of the *Water Management Act 1999* if this plan is implemented. Additionally, the *Water for Ecosystems* policy under the

Water Management Act 1999 states that water provisions for the environment (equivalent to the minimum managed flow in this case) will be set in accordance with the *National Principles for the Provision of Water for Ecosystems*. Principle 2 states that “Provision of water for ecosystems should be on the basis of the best scientific information available on the water regimes necessary to sustain the ecological values of water dependent ecosystems.” Patently, the proposed flow regime is not doing this.



Thirdly, this proposed flow regime set a very dangerous precedent. As the first WMP to be developed in Tasmania, all subsequent WMPs will in some way reflect this particular one. The precedent that will be set if this plan is implemented is that environmental flow levels are the least important aspect of this process, and DPIWE will accept almost negligible increases in minimum flows. Local consultative committees formed to help develop future WMPs, which are by their nature dominated by water users, will quite legitimately use this plan as a reason to minimise environmental flow targets in their own catchments.

The TCT acknowledges the problems that the original WMP for the Great Forester created, and we have been supportive of the moves that DPIWE has made to try and address these issues. We accept that the social and economic needs of the local community must be taken into account, and that more data needs to be collected. However, this plan does the absolute minimum to protect the riverine ecology of this catchment, as has been detailed above. The TCT is also concerned over the methodology used to calculate the social and economic impacts of the original draft WMP, and we note that the NCC has expressed similar concerns.

- Meander Valley

DPIWE informally postponed the development of the Meander Valley WMP due to uncertainties created by the proposed Meander Dam (see comments above) sometime in early 2002. There has not been a public meeting nor any formal correspondence on this proposal since December 2001. This is an unacceptable delay, and highlights yet another problem with the proposed Meander Dam, as well as the constant and regular internal conflicts within DPIWE. Additionally, DPIWE has announced that it will continue to allocate temporary water rights in the Meander Valley in anticipation of the dam being built, serving to further build expectation and distract from sustainable water management. It is impossible to estimate when this plan will be completed.

- Ringarooma

The TCT has not received any formal correspondence or updates on the Ringarooma WMP since May 2002. Once again, this delay is unacceptable. This plan is unlikely to be completed in this calendar year.

- Clyde

The Clyde WMP must deal with two issues - the artificial regulation of two lakes (Sorell and Crescent) and the management of the river itself. We believe that considerable progress has been made on the first of these two issues, and are hopeful that this particular WMP may be resolved to the satisfaction of all parties and also meeting CoAG requirements. This plan may be completed in this calendar year.

- Mersey and Little Swanport

Both of these process have only begun in the last 6 months, and it is not possible to say if there has been any real progress to date. These plans are unlikely to be completed in this calendar year.

In summary, the TCT believes that the provision of water for the environment through the implementation of WMPs has been an abject failure to date. In particular, ARMCANZ principles 2,5,6 and 9 have been willfully and knowingly contravened by the Tasmanian Government in order to appease water users. It is difficult to imagine this situation changing in the near future.

Further, there are only two dedicated staff to implement water management plans. The Water Development Branch, on the other hand, has 5 staff, and has spent approximately \$1.5 million investigating large water storage proposals, none of which have eventuated.

Public consultation and education has been erratic and irregular. The Tasmanian Government appears to only pay heed to water users. As an illustration of this, the TCT has on a number of occasions suggested a state-wide reference groups to assist the implementation of water management plans, consisting of core conservation, community and industry representatives, to no avail. And yet, the Minister for Primary Industries, Water and Environment, after a meeting with the Tasmanian Farmers and Graziers Association (TFGA) in March of this year, announced the formation of a new water group to “establish how environmental flows are measured and maintained”, consisting only of the TFGA and DPIWE. No other stakeholders would appear to have been included in this working group at this point.

Please do not hesitate to contact Craig Woodfield in our office for more information on these or any related issues.

Yours sincerely

Michael Lynch
Director