



Hon Henry Palaszczuk MP
Member for Inala



**Minister for Natural Resources,
Mines and Water**

CTS 02736/06

30 MAY 2006

Mr N J Laurie
The Clerk of the Parliament
Parliament House
Cnr Alice and George Streets
Brisbane Qld 4000

Dear Mr Laurie

I refer to your letter of 20 April 2006 enclosing a copy of Petition No. 639-06 lodged in the Queensland Legislative Assembly.

On 19 March 2006, the Premier announced that the "State Government will immediately suspend new water charges for farmers, industry and local government, and charges for stock and domestic use." The Premier also announced that the government would undertake an independent analysis of water planning and management costs, and that the Premier had written to the Prime Minister to seek urgent clarification of the State's obligation for water charging under the National Water Initiative (NWI).

The government had already established a Water Charges Working Group in February this year as a forum for working with stakeholder groups. My specific intention for this Working Group is that it will operate in a transparent and co-operative manner.

The Working Group is chaired by the Department of Natural Resources, Mines and Water and comprises representatives from:

- AgForce;
- Queensland Farmers' Federation;
- CANEGROWERS;
- Queensland Conservation Council;
- Queensland Water Directorate;
- Local Government Association of Queensland;

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- Resources Council of Queensland;
- Department of the Premier and Cabinet;
- Queensland Treasury; and
- Department of Primary Industries and Fisheries.

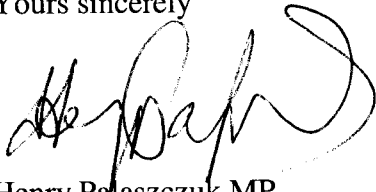
The Working Group is to provide an advisory role in relation to the government's undertaking of an independent analysis of the ACIL Tasman report "Water Management Charges" used to determine the State's planning and management costs. The Working Group will also explore the business improvement opportunities for the department.

The petition is incorrect when it refers to the water charges as a water tax. The new water charges, now suspended, were a step towards properly valuing our water and recognising the cost to State taxpayers of managing the resource. The charges were consistent with the 2004 NWI, in which the Federal, most State and Territory Governments agreed to charge users for their share of the cost of water planning and management and to report to the National Water Commission on recovery of these costs.

In a letter to the Premier of Queensland received on 6 April 2006, the Prime Minister confirmed that the NWI allows jurisdictions to recover from water users the costs associated with resource planning and management. In addition, the Federal Government has accepted the National Water Commission report and has not applied any competition payments penalties relating to Queensland's implementation of the NWI.

Thank you for bringing this matter to my attention.

Yours sincerely



Henry Palaszczuk MP
**Minister for Natural Resources,
Mines and Water**