



AUSTRALIAN FLOODPLAIN ASSOCIATION

Healthy Rivers - Healthy Communities

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Submission by the Australian Floodplain Association on the Water Amendment (Purchase Limit Repeal) Bill 2019.

The Australian Floodplain Association (AFA) is a non-government organisation, established in 2006. It represents floodplain and wetland landowners and their communities who depend on healthy rivers, floodplains and wetlands. Its membership resides predominantly within the Northern Murray-Darling Basin and includes floodplain graziers, community groups and shire councils.

The Australian Floodplain Association welcomes the opportunity to support the Water Amendment (Purchase Limit Repeal) Bill 2019.

AFA strongly opposed the 70GL reduction in the recovery target arising from the Northern Basin Review and the subsequent 2018 amendment passed by Parliament which focused on water supply and efficiency measures aimed at eliminating the need to purchase real water from willing sellers within the Basin.

The fish kills and toxic algal blooms in the Lower Darling are the inevitable, predicable result of over-allocation and provide clear evidence of the need to return more water to the environment in the northern MDB in particular.

In our opinion, there are multiple reasons for, and benefits to be gained from reversing the 2018 amendment and removing the 1500 GL cap on buyback:

- Direct purchase of water licences from willing sellers is the most efficient use of public funds to restore water for river, wetland and floodplain health. It is generally reported that water recovered through infrastructure and supply measure programs cost the taxpayer 2-4 times that of private buy back from willing sellers. The Productivity Commission 2018 report says:
- \$2.7 billion has been spent to purchase 1227 GL (equals \$2200/ML); \$2.8 billion has been spent on water infrastructure projects which delivered 677GL of water (equals \$4135/ML) and a further \$1.8 billion has been allocated to recover 450GL to pursue environmental outcomes at a cost of \$4000/ML. Buying water is by far the cheapest way to recover water and the best use of taxpayer funds.

- The Productivity Commission report of 19 December 2018 states in Findings 3.3 and 3.4 the following:

FINDING 3.3

The size and speed of water purchases has had negative socioeconomic impacts on some regional communities.

Recovering water through infrastructure modernisation programs has partially offset pressure for structural adjustment in some communities, but at a significant cost to taxpayers.

Water recovery is only one factor of many driving change in regional communities. Higher water prices, water trade, and other pressures on the agriculture sector mean that some structural change is inevitable and ongoing.

FINDING 3.4

The Department of Agriculture and Water Resources has not always demonstrated that water recovery has been cost-effective in meeting its goal of mitigating adjustment pressures caused by sourcing water entitlements. It has:

- paid a substantial premium above market prices to recover water through infrastructure modernisation
- not systematically released information for strategic water purchases acquired by direct negotiation
- not undertaken a comprehensive assessment of benefits and costs of these approaches.

- Taxpayers expect the \$13 billion investment of public funds to build ecosystem resilience and restore the long term environmental, social, cultural and economic health of the Murray-Darling Basin communities. It must be acknowledged that the “environmental water” provides services and benefits beyond the natural environment. *“Water in the river and across floodplains lifts the spirits. It attracts tourism, recreational fishers, photographers’, bird watchers and adventure seekers. It supports organic grazing and cropping industries. It emboldens Aboriginal culture and provides food, recreation and education of the young by Elders” (Terry Korn and Badger Bates, One Mob 2017).*

- More water for our river systems is therefore critical to the livelihoods of floodplain graziers and farmers, traditional owners and river communities as well as floodplain, wetland and in-stream ecological systems. These benefits have never been adequately factored into socio-economic studies which instead have focused on the negative aspects of water recovery on irrigation communities.

- Recent expert studies by the Federal Government and Academy of Science have confirmed that the riverine ecosystem in the Northern Basin is under intense pressure and water must be returned to it without further delay. Buying water from willing sellers is the quickest and cheapest way to recover water for the benefit of the broader basin community. Removing the legislated cap of 1500GL on purchases will assist in the most rapid remediation of the present situation in the Darling River.

We look forward to the removal of the 1500GL buy back cap from legislation and/or any policy.

Yours sincerely

Terry Korn PSM
President
Australian Floodplain Association