

NSW SUBMISSION

WATER AMENDMENT BILL 2018

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

MAY 2018

Contents

Water Amendment Bill 2018	3
Northern Basin Review amendments - critical for timely implementation of Basin Plan	3
Urgent legislative reform needed	4
Ensuring Basin Plan amendments are informed by science and data	4
Ensuring the integrity of the public consultation process	5
Conclusion	5

Water Amendment Bill 2018

Introduction

NSW is committed to managing its water resources in the Murray-Darling Basin sustainably by balancing the requirements of industry, communities and the environment to achieve economic, social and environmental outcomes.

The NSW Government strongly supports the processes built into the Basin Plan and *Water Act 2007* which allow for the review of science and triple-bottom line decision making to ensure that water recovery is necessary and does not create an unacceptable socio-economic impact for communities in the Basin.

It is important that the Basin Plan is an adaptive instrument - reviewed and refined as understanding of the environmental watering needs and social and economic implications is improved.

The NSW Government appreciates the opportunity to provide a submission to the Rural and Regional Affairs and Transport Legislation Committee inquiry on the Water Amendment Bill 2018. The proposed legislative amendments are considered critical by the NSW Government for the timely and realistic delivery of the Basin Plan objectives.

Northern Basin Review amendments - critical for timely implementation of Basin Plan

In developing the Basin Plan and setting Sustainable Diversion Limits (SDLs) for the northern Basin valleys, it was recognised at the time that, compared to the southern Basin, less was known about the northern Basin's environmental water needs and the potential social and economic impacts of water recovery.

It was for this reason that NSW supported the Murray-Darling Basin Authority (the Authority) in undertaking the Northern Basin Review (NBR) and welcomed the opportunity to provide formal comments on the proposed Basin Plan Amendments.

As a result of ongoing engagement between NSW and the Authority, including the comprehensive NBR process, NSW is largely supportive of the package of proposed amendments to the Basin Plan.

The proposed amendments reflected the importance of, and intent to balance the triple bottom line, i.e. environmental, social and economic outcomes.

The disallowance of these amendments represented a serious and significant step-backwards for achieving balanced reform outcomes putting at risk timely delivery of Basin Plan objectives and environmental outcomes.

NSW welcomes the agreement announced by the Commonwealth Minister for Agriculture and Water Resources, the Hon. David Littleproud MP, on Monday 7 May that paves the way for the NBR amendments to be restored.

Urgent legislative reform needed

NSW supports the proposed amendments to the Water Act to enable the outcomes of the crucial NBR amendments to the Basin Plan to be remade as soon as possible providing certainty for water users and enabling timely delivery of commitments made by NSW and other Basin states under the Plan.

There is a level of urgency for the Federal Parliament to pass this Bill to allow the Northern Basin Review amendments to be promptly restored. This will provide certainty to Basin states and communities as they prepare SDL compliant water resource plans - a key commitment under the Basin Plan and statutory instrument under the *Water Act 2007*.

The NSW Government is committed to developing a total of 22 water resource plans by 2019, covering surface and groundwater resources. These build on the development of new NSW water sharing plans which commenced on 1 July 2016.

The *NSW Water Resource Plan Roadmap 2016–2019* sets out the way forward in developing the 22 water resource plans required for NSW by 2019, with key timelines and the principles and process for the creation of the plans.

NSW continues to invest substantial effort in the water planning task and is working collaboratively with the Authority to progress water resource plans. However the uncertainty created by the disallowance has impacted on the timeframes, particularly given that NSW has the greatest number of plans to deliver compared with other jurisdictions.

The disallowed NBR amendments proposed changes to boundaries for water resource plans to better align the NSW water planning boundaries. Consequently NSW would be required to deliver 20, rather than 22, water resource plans. This would reduce the administrative burden for both NSW and the Authority by assisting in facilitating the smooth transition from the current water sharing plans under the *Water Management Act 2000* (NSW) to water resource plans under the *Water Act 2007* (Cth). Remaking the NBR amendments as soon as possible will provide greater certainty and efficiency as NSW progresses this significant water planning task.

Ensuring Basin Plan amendments are informed by science and data

The amendments contained in the disallowed NBR instrument were based on the best available science and data. They were recommended by the independent Authority following a series of reviews, each of which involved significant consultation with relevant community members, businesses and community organisations.

The aim of the NBR, which informs the amendments in this instrument, was to address knowledge gaps by improving underpinning environmental science and socio-economic assessments, and informing hydrological modelling. The intention was to use information gained from these studies to qualify and /or refine SDLs for the northern Basin, and this is exactly what this instrument does.

A key finding of the review was that almost any practical recovery volume will not return the northern Basin to full environmental health. The Authority's modelling showed that overall, the level of improvement in environmental outcomes reaches a point of diminishing return as water recovery increases above 320 GL, while social and economic impacts in some valleys continue to increase. Accordingly the instrument proposes a reduced recovery volume from 390 GL to 320 GL in the northern Basin.

NSW believes that SDLs for the northern Basin must be based on the best available science and fit-for-purpose modelling that provides achievable outcomes. Accordingly NSW supports the Bill as it will enable the Basin Plan to be updated based on current scientific information.

NSW accepts that all models inherently have assumptions and uncertainties; however decisions on water recovery targets and SDLs need to be robust and defensible. The recent agreement announced by the Hon. David Littleproud MP, will enhance transparency and improve confidence in the NBR data, by releasing the modelling undertaken by the Authority for public scrutiny.

Ensuring the integrity of the public consultation process

NSW notes that the Minister's ability under this Bill is restricted to disallowed instruments that have been through consultation requirements set out in the Water Act. This ensures that the integrity of the public consultation process is maintained to best balance environmental, economic and social objectives.

The NSW Government strongly values community consultation and stakeholder engagement to ensure we have an equitable and transparent approach to the management of our water now and for future generations.

For example, under the commitments made in the NSW Water Reform Action Plan, a Water Stakeholder and Community Engagement Policy was developed and released, effective from 30 March 2018. A number of other jurisdictions including Victoria and South Australia also have community engagement principles and frameworks in place.

The existing provisions of the Water Act require consultation processes on any proposed future amendments to the Basin Plan. This provides for transparency and accountability, and fosters community confidence that their views will be brought into the decision-making process for the planning and delivery of the Basin Plan. Maintaining community consultation will ultimately lead to better public policy outcomes, improved service delivery and enhanced customer satisfaction

Conclusion

NSW supports the Water Amendment Bill 2018 as it will enable the outcomes of the crucial NBR amendments to the Basin Plan, disallowed by the Senate in February, to be remade and tabled before Parliament as soon as possible.

The Bill ensures that critical planning and management decisions informing future amendments to the Basin Plan can continue to be informed by science and data, and that the integrity of the public consultation process is maintained to best balance environmental, economic and social objectives.