

Environment, Communications and the Arts Committee

Water Licences and Rights – the ability of the Commonwealth, across state borders, to sustainability manage water resources in the national interest, with particular reference to water licences and rights.

Put simply, I suggest the ability is negligible until the Commonwealth Government seises the initiative to remove the states from the decision-making process.

The ongoing debacle in management of the water resources in the Murray-Darling Basin, the most important agricultural basin in the nation, whereby water quality, the single-most important environmental health indicator, continues to decline, demonstrates clearly the failure over decades of the six governments collectively to effect necessary change.

The problems associated with too much water extracted for irrigation (particularly in NSW) and the varying level of development and policy agendas from state to state (such as the trade in water entitlements for example), and which are well documented, combined with the absolute nonsense whereby decisions of the former Murray-Darling Basin Commission Ministerial Council and now the Murray-Darling Basin Authority Ministerial Council were, and are, made on the basis of consensus, effectively ensured that few meaningful decisions to redress the imbalance in water allocation and use across the basin between economic development, environmental sustainability, and social issues (the economy, environment and the people), were ever made and that the rate of change was glacial.

A recent (September 24, 2009) article in the Sydney Morning Herald, **NSW lifts embargo on buying back Murray water rights** (Brian Robins and Peter Kerr) demonstrated once again, the confusion and indecision between and governments:

“Only months after slapping a ban on further sales of water rights to the Federal Government aimed at boosting water flows to the Murray-Darling Basin, the State Government has backed down and reached agreement on additional sales.

“The Rees Government’s decision follows the move mid-year by the Victorian Government to ease a longstanding 4% cap on the trading of water rights from its irrigation districts. The cap will be removed completely in 2014.

“NSW and the Federal Government will announce today details of a memorandum of understanding which is to aid the sale of water rights in NSW under the federal water purchase plan.

“The deal has ultimately been forced by a Victorian rule limiting the amount of water that can be traded from irrigation districts to 4% of that region’s water. The rule has long been unpopular with other states and environmentalists because it restricts Victoria’s contribution to the buyback process and therefore river health.

“The deal removes the embargo but environmentalists said it was not the type of process they had hoped to see. The Australian Conservation Foundation labelled it a “backward step”.

“Earlier NSW said it might join South Australia in its planned constitutional challenge against Victoria to remove barriers to water trade in the river system”.

What is going on?

However, it has been well documented over the years that study of the more successful countries and agencies worldwide has highlighted four attributes of good integrated or sustainable water resources management are critically important:

- **A strong institutional framework** that is supported by the highest levels of government and established by a law, regulation, or decree that gives it clear, undeniable, responsibilities and accountabilities. Without the highest level of support, inter-government and agency rivalry will work against success;
- **Good data and information** on all aspects of water resources and related natural resources upon which to create knowledge and to enable proper strategies and policies to be developed to allow ‘balanced’ or integrated operation and management – obviously without good data the resource cannot be managed;
- **Be able to integrate water operation and management with other attributes of natural resources** to ensure a balanced approach. For example, ensure that reservoir operation rules for irrigation releases take account of groundwater or water table problems and natural ecosystems; and
- **Strong community or stakeholder participation** to ensure the basin organisation knows what the community expects and establishes some sense of community ‘ownership’ in how the water resource is managed and acceptance of the principles of cost sharing.

However, arguably, the most important of these attributes to ‘get right’ is the institutional framework and until the Commonwealth Government takes the initiative and removes the states from the decision-making process and becomes the sole power then its ability to sustainably manage the Murray-Darling Basin in the national interest will, unfortunately, remain little more than an illusive dream.

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