



Environmental Equity

Environment Law Economics

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Standing Committee on Environment and Communications
Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: ec.sen@aph.gov.au

Dear Sir/Madam

Inquiry into the National Water Commission (Abolition) Bill 2014

Thank you for the opportunity to comment on the proposal to abolish the National Water Commission (the Commission). I have deep concerns over the axing of the Commission. My concerns stem from the same considerations that have led to referring the National Water Commission (Abolition) Bill 2014 to the Committee for review, that is, it:

- ◆ is the only federal independent body to track water policy;
- ◆ advises COAG and the Australian Government on water policy;
- ◆ audits the effectiveness of the implementation of the Murray-Darling Basin Plan; and
- ◆ promotes water reform.

I am of the view that the impact of the abolition of the National Water Commission on the “continuation of robust, independent and transparent monitoring and assessment of matters of national water reform and the management of Australia's water resources” will be highly detrimental and that, rather than abolishing the National Water Commission it is very definitely in Australia’s interests as a nation that the powers of the Commission be enhanced.

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My reasons for this taking this stance are as follows:

1. Australia is the driest inhabited continent on Earth and it is projected that areas that are major food production areas, such as the Murray Darling Basin, will become drier as a result of the impact of climate change. The CSIRO estimates that in the north of the Basin it will be 9 – 11% drier by 2030 and 13% drier in the south of the basin (Chartres & Varma, 2011);
2. Major sources of water in Australia such as the Murray Darling Basin and the Great Artesian Basin lie in several jurisdictions making effective management difficult;
3. Australia has a very patchy history of management of our water resources and we are only just starting to develop anything like an understanding of the factors that must be considered when trying to reach a balance between the competing needs of water users and between human use and environmental use.
4. The demands on our water resources are increasing rather than decreasing and will continue to do so for the foreseeable future so effective management becomes even more critical to the continued health of Australia's ecosystems.

These factors make it essential that there remain in place a body that is capable of reducing management practices that are fragmented across time and space, and that is specifically charged with taking a comprehensive approach to water resource management.

Writing in relation to practices internationally, but with a message that is applicable to Australia, Cullett, Gualtieri, Madhav and Ramanathan (2010) note:

“Since the 1980's and particularly over the last five years the water sector has witnessed significant changes. These are generally known as 'water sector reforms', a process of reform based on a specific set of principles that has been proposed as valid for both developed and developing countries. The challenges the water sector reforms seek to address include diminishing per capita availability, increasing problems in water quality, efficiency in water allocation and use and increasing competition for access to fresh water. The basic principle buttressing the reorganization of the water sector is the notion of integrated management of water resources ... Water sector reforms are driven by the belief that addressing the challenges faced by the water sector across the globe by enabling efficient and sustainable water use, is crucial to avert future water crises.”

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If the National Water Commission is abolished we will be winding back a management reform that is perceived internationally as desirable for effective water resource management. This of itself is not necessarily a reason not to do so, if there are good and valid reasons for doing it. However, from the perspective of effective water management in Australia there are no obvious reasons why this is a desirable outcome and some very good reasons why it is an undesirable outcome. Considering the matter from an environmental perspective, Fisher (2000) noted:

“We are starting to realise the environmental consequences of the post-war development of Australia’s water resources – among them, disappearing wetlands and rivers containing too little water at the appropriate time for various fish and bird species to breed.”

Fisher was writing at a time before the Commission was established but referring to the principle of sustainability he identified it as “the principle challenge created by contemporary water law for participants in the water industry” (2000). It is very difficult to see how the sustainability of Australia’s water resources can be maintained if there is no one with the overarching responsibility to ensure that they are. From a management perspective integrated catchment management is seen as representing:

“a robust governance framework in that it adopts adaptive management principles to produce a dynamic planning process (and) in addition ... incorporates principles such as the precautionary principle, as well as ones that consider cumulative impacts and long-term consequences.” (Godden & Peel, 2010)

The outcome of integrated catchment management is that it: requires simultaneous consideration of environmental, economic and social principles; seeks administrative integration through intergovernmental and interagency cooperation; requires public stakeholder participation to effect knowledge transfers between providers and users; and recognises the physical interrelationship between land uses and surface and groundwater quality and quantity (Godden & Peel, 2010). The implementation of integrated catchment management at the state level has not been entirely successful due, in part, to inadequate funding, sectoral interests and lack of capacity to enforce strategic planning objectives (Godden & Peel, 2010). This strongly suggests that, to be effective, capacity needs to be enhanced and the ability of sectoral interests to subvert processes needs to be reduced, something that could undoubtedly be achieved at the federal level more easily than at the state level. The Commission, being an independent Authority, is in a much better position to promote the broader objectives of integrated catchment management than are state institutions.

The Water Commission was established as part of a package to address existing serious problems of over allocation of water licences and environmental degradation. The package has been described as “a good example of a relatively rapid adaptive policy and management response to water scarcity induced by over allocation and climate change”

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(Chartres & Varma, 2010). It allows for a range of activities that would have been a lot more difficult, if not impossible, to achieve in the earlier more fragmented management regimes. High quality data can be obtained, collated and made available to all participants in the water industry so that the process of water allocation can be managed in a more sustainable way with better organisation and greater transparency. Publically available information can include: information about responses to rainfall events; flood hazards; seasonal flow variations; groundwater level changes; and the impacts of major extractions on flow (Chartres & Varma, 2010). The Commission itself identified the advantages of being able to make such information publically available as:

- ◆ Ultimately to reduce costs to data users, including transaction costs;
- ◆ Reduction in data inconsistencies, data gaps and lack of comparable data;
- ◆ Allowing performance benchmarking;
- ◆ Allowing national water assessments on a repeatable basis;
- ◆ Allowing better water planning, including cross-border planning;
- ◆ Underpinning the market;
- ◆ Redressing declining community confidence in the national water market;
- ◆ Reducing multiple requests for information; and
- ◆ Reconciling the data needs of water data gathers, managers and users.

Chartres and Varma (2010) concluded that this comprehensive, readily available data “can help to lead to greater efficiency of water use”. If the Commission can no longer perform this function these substantial economic benefits will be lost and the capacity to establish effective, functional water markets will be diminished.

As well as having environmental and economic dimensions water has a human rights dimension (Culleth et al., 2010). Lack of access to clean drinking water results in an increased incidence of disease and, particularly for small children, death. Lack of water for agricultural purposes results in reduced availability of food, leading to malnourishment and starvation. Fortunately Australia has not yet had to face these consequences but if we fail to manage our water resources effectively this may be an outcome. Once water becomes a scarce resource conflict erupts. A recent report in The Guardian identified “violent tensions over water” increasing “from India to Iraq” (Balch, 2014). The report suggests that rather than conflict between nations, the conflict will be between regions within nations:

“Even more likely is an escalation in sub-national conflicts, says Gleick (president of the Pacific Institute, an independent US research centre that publishes a chronology of water-related conflicts). Expect growing localised tensions around specific watersheds between one ethnic group and another, between farmers and cities, and so forth, he warns: “Rather than India versus Pakistan, it’s Karnataka versus Tamil Nadu over the allocation of a river that is shared between those two states.”

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Although the reference is not to Australia, Australia has already seen conflict over water with farmers strongly objecting to reallocation of water pursuant to the Murray Darling Basin Plan. It is certainly not beyond the realms of possibility that increasing water scarcity could result in escalating conflict within Australia. The same article sees the solution as:

“Clearly, the more efficiently fixed and limited water resources are managed, the higher the chance of averting future conflict ... ultimately, the solution lies in good water governance. Governments need to provide clear rules for water resource management and effective methods for enforcing them, argues Gleick. “The greatest risks of conflicts over water are not really at the intersection of the corporate sector and the water world”, he concludes. “They are in regions where water is scarce and governments are not addressing how to allocate water fairly and effectively.” (Balch, 2014)

Australia has been identified as a part of the Earth that is running out of potable water with politicians that are in denial about the seriousness of our water problems (Barlow, 2007). The explanatory memorandum to the National Water Commission (Abolition) Bill 2014 states:

“Since the Australian Government and all State and Territory Governments agreed to the NWI in 2004, there has been considerable progress in enhancing the security of irrigation water entitlements, enabling water markets and trade, strengthening Australia’s water resource information base and improving urban water security”

Unfortunately this statement lends weight to the assertion about Australia’s politicians, referred to above. Except for a reference to the Minister for the Environment, there are no references to ‘environment’ in the explanatory memorandum and yet the Intergovernmental Agreement on a National Water Initiative contains 108 references to the environment and indeed the opening words of the preamble are as follows:

- “1. Water may be viewed as part of Australia’s natural capital, serving a number of important productive, **environmental** and social objectives.” (my emphasis).

Clearly part of the objectives of the National Water Initiative is to address environmental concerns in relation to water and water use. Irrespective of how much progress there has been in the areas of agriculture, water trading, availability of information and urban water, and I am by no means certain that there has been the progress implied in the explanatory memorandum, serious issues remain to be resolved in relation to water in the environment. The Environmental Water Trust confirms that:

“Many of our rivers are now severely degraded. There is increasing scientific evidence of river red gums dying, fish populations declining and waterbird not breeding because we have built dams and diverted considerable amounts of flow from our rivers.” (Environmental Water Trust, ND)

I would suggest that until it can be shown that the work being done by the Commission is no longer necessary because we have achieved a workable balance between the needs of humans and the needs of the environment, what will be sustained even if the Commission is abolished, it is very, very premature to abolish the Commission. I would call on this Committee to reject the proposal that the Commission be abolished, and if it is within its capacity to do so, that the Committee recommend that the functions of the Commission be enhanced.

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