



Environment Victoria submission to Senate Environment and Communications Legislation Committee Inquiry into the National Water Commission (Abolition) Bill 2014

Environment Victoria is the state's peak non-government, not-for-profit environment organisation. Our Healthy Rivers Campaign is dedicated to working with government, business and communities for the restoration and protection our state's great river systems. Our vision is for a future where healthy rivers sustain abundant life and prosperous communities, providing us with good food, clean water and places to love and enjoy.

Environment Victoria welcomes the opportunity to make a submission to the Committee's Inquiry into the National Water Commission (Abolition) Bill 2014.

Environment Victoria is of the strong opinion that the National Water Commission is a highly valuable institution and it should be retained. It performs extremely useful functions in providing a single entry point to water reform in Australia and has a unique ability, due to the expertise and independence of its Commissioners, to review progress towards and identify future areas for national water reform. It is a well-respected and credible organisation and it should be able to continue in its present form at least until implementation of the National Water Initiative is complete.

Environment Victoria recommends that the National Water Commission (Abolition) Bill 2014 should be withdrawn from the Parliament and that the Commission's funding allocation should be reinstated.

The remainder of this submission provides information to support this recommendation.

Reasons for retaining the NWC

1. Unique value of the NWC

The operation of the NWC was independently reviewed for COAG in 2011 with the report published in 2012. The independent reviewer concluded 'that the NWC should continue, without sunset, for

the duration of the NWI agenda and within essentially the same governance arrangements that it now has with its legislation strengthening its independence as a COAG body¹.

The independent reviewer gives a compelling argument for maintaining a single entry entity to drive water reform in Australia:

‘Each of the functions of monitoring, audit and assessment, and knowledge leadership requires engagement with the key players in water management. Combining all of these activities into a single entity ensures the free flow of information and a comprehensive understanding of the state of reform implementation. Further, each of these functions establishes relationships and generates information and knowledge which provides a solid foundation for subsequent audits and assessments and ensures relevant insights are captured and conveyed. Having a single entity responsible for monitoring, audit and assessment, and knowledge leadership therefore enhances the efficiency and effectiveness of each of the individual activities. This will become even more important in the future as reforms become more difficult’.²

Environment Victoria is in full support of this view.

2. Lack of appropriate substitute bodies

The NWC Abolition Bill proposes retaining two key statutory functions of the NWC: triennial assessments of progress on implementation of the NWI and audits of the implementation of the Murray-Darling Basin Plan and associated Basin State water resource. These will be devolved to the Productivity Commission.

The Productivity Commission is ill-suited to undertaking this work. Its focus is on industry and productivity, not environmental sustainability, and its expertise is in conducting inquiries, not undertaking assessments and audits. Its Commissioners are industry experts and with one exception lack experience in water management and reform, as opposed to the NWC Commissioners who have a wealth of diverse experience in the water industry and environmental management to draw on. The Bill does not propose any extra resourcing for the Productivity Commission to undertake the increased work load, nor does it provide a pathway for the Commission to acquire the necessary expertise.

In view of the comments of the independent reviewer of the complex inter-relation between monitoring, auditing, assessment and knowledge leadership, cherry picking select functions of the NWC and handing them to an inappropriate substitute is counter-productive and short sighted. It will not further the Commonwealth Government’s stated commitment to full implementation of the NWI.

¹ Rosalky, D (2011) COAG Review of the National Water Commission, p vi
<http://www.environment.gov.au/system/files/pages/8e67c6b4-c2f5-4747-b6cc-7a0aab52474b/files/coag-review-national-water-commission.pdf>

² Ibid, p v

3. Unimplemented reforms

While significant progress has been made on the codification of water rights, water planning and water trading, there remain a number of objectives of the NWI that have not yet been implemented. Principal among these are:

- a) *Groundwater and interception.* A key objective of the NWI is ‘conjunctive management of surface water and groundwater resources: so that the connectivity between the two is recognised, and connected systems are managed in an integrated manner’.³ Another objective is to account and plan for all water uses, including major interception. Neither of these objectives is anywhere close to being met⁴, and the partner governments of the NWI have little interest in pursuing them. Without the leadership and knowledge base of the NWC progress on their implementation is likely to remain glacially slow.
- b) *Traditional Owner rights.* The NWC have been champions of the rights of indigenous people to gain access to water for cultural and economic purposes. They established the First Peoples Water Engagement Council and published an influential position paper on Indigenous access to water in 2012.⁵ These initiatives have helped create the opportunity for Traditional Owners, through the leadership of organisations such as NBAN and MLDRIN, to clearly express their aspirations for water rights and the National Cultural Flows Research Project⁶ which is now well underway. To lose the NWC’s leadership at such a crucial time would be a severe setback to progress in this vital area.

The NWC 2014 triennial assessment due for release on 20 October is likely to identify other areas where unbiased leadership is required, such as water use by the mining industry and water management in northern Australia. The NWC also has an important role to play in promoting urban water reform and integrated water cycle management in Australia.

4. Illusory financial savings

The NWC Abolition Bill Explanatory Memorandum states that closure of the NWC will result in a saving of \$20.9 million over 4 years. This saving is likely to be illusory because of the devolution of key responsibilities to other agencies. The Abbott government is promoting a reduction in red tape but in this case it is proposing the abolition of a ‘one-stop shop’ for water reform. It is in danger of shooting itself in the foot as in the words of the independent reviewer:

‘COAG should have access to a body which provides advice and makes recommendations through publicly available reports, specifically in relation to the ongoing implementation of the NWI. The NWC is best placed to perform this function’⁷.

³ <http://nwc.gov.au/nwi/objectives>

⁴ NWC (2011) The National Water Initiative – securing Australia’s water future 2011 assessment.

⁵ <http://nwc.gov.au/nwi/position-statements/indigenous-access>

⁶ <http://culturalflows.com.au/>

⁷ Rosalky, D (2011) COAG Review of the National Water Commission, p 27

For further information regarding this submission, please contact

Juliet Le Feuvre
Healthy Rivers Campaign Manager
Environment Victoria,
Level 2, 60 Leicester St,
Carlton VIC 3053

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