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Submission
Inquiry into the Water Amendment (Purchase Limit Repeal) Bill 2019

Introduction

The Inland Rivers Network (IRN) is a coalition of environment groups and individuals concerned about the degradation of the rivers, wetlands and groundwaters of the Murray-Darling Basin. It has been advocating for the conservation of rivers, wetlands and groundwater in the Murray-Darling Basin since 1991.

Member groups include the Australian Conservation Foundation; the Nature Conservation Council of NSW; the National Parks Association of NSW; Friends of the Earth; Central West Environment Council; Healthy Rivers Dubbo and the Wilderness Society, Sydney.

IRN has participated in the water reform process in NSW for many decades. We have engaged in the development of the Murray-Darling Basin Plan (Basin Plan) through all stages of community consultation.

The purpose of the Basin Plan is to address the over allocation of water in order to regain the balance with economic use and prevent ongoing degradation of significant ecological assets.

The key environmental objects of the Commonwealth *Water Act 2007* are:

- to give effect to relevant international agreements (to the extent to which those agreements are relevant to the use and management of the Basin water resources) and, in particular, to provide for special measures, in accordance with those agreements, to address the threats to the Basin water resources

- to protect, restore and provide for the ecological values and ecosystem services of the Murray-Darling Basin (taking into account, in particular, the impact that taking of water has on the watercourses, lakes, wetlands, ground water and water-dependent ecosystems that are part of the Basin water resources and on associated biodiversity)

IRN fully supports the *Water Amendment (Purchase Limit Repeal) Bill 2019* because it enables the objects of the *Water Act 2007* to be met through efficient investment of public money.

Support for lifting the 1500 GL cap on water licence buybacks

IRN fully supports the repeal of the legislation aimed at limiting the options for reversing the degradation of river and wetland health in the Basin. These are the key reasons:

1. Direct purchase of water licences from willing sellers is the most efficient use of public funds to achieve the necessary volume of water held by the Commonwealth Environmental Water Holder.
2. The implementation of the Basin Plan to achieve the identified targets in the Basin Plan Environmental Watering Strategy must have a full suite of available tools to recover water for the environment.
3. The Sustainable Diversion Limit (SDL) Adjustment Mechanism and the Northern Basin Review adopted by Parliament are likely to fail to meet ecological targets because of the significant reduction in water recovery.
4. The 2014 National Audit Report stated that “*The Commission considers that the Government should focus on maximising public benefits and achieving value for money in its water recovery, not on providing industry assistance. This means moving away from infrastructure funding, which is significantly more expensive and which provides substantial private benefits to landholders.*”¹
5. The option to purchase water licences from willing sellers must be flexible to provide whatever volume of water is needed to meet Basin Plan objectives

Consideration of economic impacts of the repeal Bill

IRN does not support the socio-economic arguments used to place a cap on water licence buybacks for the following reasons:

1. Economic modelling and applied research has repeatedly shown that reducing water available for irrigation has not to date had a strong negative impact on agricultural production and associated employment. Willing sellers can maintain a portion of their water portfolio and produce similar volumes of irrigated crops with more efficient water use.

¹ National Audit Commission 2014 *Towards Responsible Government*, Appendix Volume 2 p10

2. There is generous public funding available to assist the irrigation industry to be more efficient in water use. There are many instances where this investment has improved water availability for irrigation eg Macquarie Valley Irrigation Schemes efficiency projects.
3. The Basin Plan provides financial support for regional communities to adjust to the changes. The devolvement of this regional development funding through the Basin States has been poorly managed with very little transparency. This investment of public funds needs to be more tightly regulated.

Conclusion

More water for our river systems is critical to prevent ecological disasters such as the recent Darling River fish kills and the decline in condition of important Ramsar wetland areas including the Coorong, Narran Lakes, Macquarie Marshes and Gwydir Wetlands.

The current 1500GL cap on buybacks from willing sellers prevents the efficient and cost-effective achievement of Basin Plan outcomes.

The passage of the *Water Amendment (Purchase Limit Repeal) Bill 2019* through Parliament is critical for the commitment of both Government and Opposition to deliver the Basin Plan in full and on time.

For more information about this submission contact:

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