



File: 5.3.001
PD:SM

31 July 2015

Ms Christine McDonald
Committee Secretary
Senate Standing Committee on Environment & Communications
PO BOX 6100
CANBERRA ACT 2600

Dear Ms McDonald

Re: Water Amendment Bill 2015

Thank you for the opportunity to comment on the provisions of the *Water Amendment Bill 2015* (Cth) (the Bill).

By taking the opportunity to provide a submission, Council is acting in accordance with section 6(d) of the *Local Government Act 1999* (SA) which provides that a council is established to, amongst other things, "represent the interests of its community to the wider community". In making a submission we are also cognisant of our community's interests as articulated in the *Alexandrina Council Community Strategic Plan 2014-2023* which places an emphasis on respecting and protecting the integrity of the Coorong, Lower Lakes & Murray Mouth (CLLMM) region as an integral component of a healthy, working Murray-Darling Basin.

The River Murray, Coorong and Lower Lakes form the cultural, economic, social and environmental fabric of the Alexandrina community. There is a direct link between the ecological health of the CLLMM region and the economic, social and cultural wellbeing of our people. We are extremely proud and privileged to live in this iconic area of South Australia and along with the nation, highly value the international prominence given to this region by virtue of its recognition under the *Ramsar Convention on Wetlands 1971*.

Alexandrina Council has long been an advocate for the interests of a healthy, working Murray-Darling Basin and we welcome the Abbott Government's commitment to delivering the Basin Plan to the full extent, as expressed by the Hon. Bob Baldwin MP in his second reading speech for this Bill. Continued bipartisan support for full Basin Plan implementation is a critical first step towards providing certainty for both the community and the environment.

Nonetheless, we are deeply concerned that (contrary to assertions made in the Explanatory Memorandum) enacting the provisions of this Bill could in fact undermine the efforts of the Commonwealth to implement the Basin Plan and will increase uncertainty for the communities and ecosystems of the CLLMM region.

Our concern relates to the impact a legislative 1500GL cap on water buy-backs might have on achievement of the 2750GL environmental water recovery target, and even more so, the 3200GL target provided for in section 7.09(e) of the Basin Plan.

Situated as we are at the end of the river system, it is critical to the wellbeing of our community that the 3200GL recovery target continues to be prioritised (subject to the outcome of the SDL adjustment mechanism). Scientific analysis published by the Murray Darling Basin Authority (MDBA) indicates that the 2750GL target will be inadequate to meet many of the Basin's environmental watering requirements and that achieving a higher level of environmental water recovery is particularly critical for the health of the CLLMM region.

Our concern is that a legislative 1500GL cap on water buybacks will reduce flexibility of decision-making and make the task of recovering this environmental water considerably more difficult and more expensive. Our concern in this regard is based on the following:

- The cost of acquiring water through infrastructure projects has proven to be significantly more expensive than purchasing water entitlements from willing sellers. This has the potential consequence of eating into limited funds available for water recovery.
- Over time, recovering water through infrastructure projects becomes more expensive as the low-hanging fruit in terms of achieving efficiency gains has already been picked.
- As at 30 June 2015, 1950.5GL of the 2750GL recovery target had been achieved and 1162GL of that has been achieved through buybacks.¹ This leaves 799.5GL still to be recovered. If a 1500GL cap on buy-backs is legislated, only 338GL of this can be achieved through buy-backs and the remainder (461.5GL) will need to be recovered via infrastructure projects.
- As far as we are aware, no business case or modelling has been released to demonstrate that that an additional 461.5GL (2750GL target) or 911.5GL (3200GL target) can actually be recovered via infrastructure projects of the type envisaged by the Basin Plan. To date, less than 600GL has been recovered via infrastructure projects and as stated in the Australian Government's *Water Recovery Strategy for the Murray-Darling Basin*, total water recovery from current and planned infrastructure investments is only expected to yield in the vicinity of 640GL.
- \$1.57 billion has been set aside in the Water for the Environment Special Account to recover the 450GL needed to reach the 3200GL recovery target. These monies can only be spent on recovering water through efficiency measures, and not via water buy-backs. This restriction was included in the Basin Plan on the assumption that there was no restriction on how the Australian Government would recover the first 2750GL. In this regard, we are concerned that a 1500GL cap on buybacks will inevitably reduce the amount of water that can be saved via efficiency measures once the 2750GL targeted is reached, jeopardising the Australian Government's ability to recover the additional 450GL needed to reach the 3200GL target.

In his second reading speech, the Hon. Bob Baldwin MP acknowledged he has heard concerns about the cap impeding water recovery efforts and thus preventing the achievement of maximum environmental outcomes, however he did not go on to provide any evidentiary basis addressing the specific concerns outlined above.

¹ <http://www.mdba.gov.au/sites/default/files/EWR-estimates-30-June-2015-detailed.pdf>.

In assessing the provisions of the Bill, we submit that the Committee should consider the extent to which their enactment might affect achievement of the Basin Plan's end-of-system environmental objectives and targets. Achievement of these targets is critical to the economic, social and environmental wellbeing of our community. Relevant objectives and targets include the environmental watering objectives regarding the ecological character of Ramsar wetlands, minimum lake levels and flows through the Murray Mouth (Basin Plan, Chapter 8, Part 2), the salt export objective (Basin Plan, Section 9.09), and the salinity target for Milang (Basin Plan, Section 9.14). Alexandrina Council was a strong advocate for these end-of-system targets being included in the Basin Plan and we submit that the Committee should be hesitant to endorse any amendments to the *Water Act 2007* (Cth) which would jeopardise the achievement of these key environmental outcomes.

Alexandrina Council looks forward to the Committee's careful consideration of our feedback.

Yours sincerely,

Victoria MacKirdy
Acting Chief Executive

CC: Hon. Ian Hunter MLC, Minister for Water and the River Murray

ⁱ *Water Recovery Strategy for the Murray-Darling Basin*, Commonwealth of Australia 2014, p. 15.

