

# Chapter 1

## Conduct of the inquiry

1.1 On 4 February 2016, the Senate referred the Water Amendment (Review Implementation and Other Measures) Bill 2015 (the bill) to the Senate Rural and Regional Affairs and Transport Legislation Committee (the committee) for inquiry and report by 10 March 2016.

## The bill

1.2 The purpose of the bill is to make the legislative amendments required to implement the Government's response to the *Report of the Independent Review of the Water Act 2007* (the Water Act Review). The bill also makes a number of minor administrative or technical amendments unrelated to the Water Act Review.

1.3 More specifically, the bill includes provisions to:

- provide for five-yearly reviews of the social and economic impacts of the Basin Plan 2012 (the Basin Plan) and streamline and postpone some Basin Plan reviews;
- clarify arrangements for accreditation of first generation state water resource plans (expected by 1 July 2019) and provide for future accreditation to be linked to Basin Plan review outcomes;
- provide increased flexibility for the Commonwealth Environmental Water Holder to trade by allowing investment in other non-water environmental activities and in circumstances where water allocations may be reduced or foregone in continuous accounting water systems;
- provide for greater incorporation of Indigenous expertise and knowledge in the governance of the Basin's water resources;
- repeal Part 5 of the Water Act, removing the power for the Murray-Darling Basin Authority (MDBA) to establish a Water Rights Information Service, which was never utilised;
- make clarifying amendments to definitions relating to irrigation operators;
- allow the water charge rules to provide that the Australian Competition and Consumer Commission (ACCC) can extend the period of effect of a determination or approval of regulated water charges; and
- make minor administrative and technical amendments.<sup>1</sup>

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1 Explanatory Memorandum, Water Amendment (Review Implementation and Other Measures) Bill 2015, p. 3.

## **Conduct of the inquiry**

1.4 The Selection of Bills Committee noted the reasons for referral and principal issues for consideration as:

... changes under Item 27 (Section 106) which allows trade revenue to be used for 'environmental activities' instead of being limited to buying more water for the Murray Darling Basin. There is also no clarity on how projects would be defined as an environmental activity and on what basis a decision is made as to whether a project adheres to that classification.<sup>2</sup>

1.5 The committee advertised the inquiry on its webpage, calling for submissions to be lodged by 25 February 2016. The committee also wrote directly to a number of stakeholders – including environmental groups, scientific organisations, Indigenous organisations and Commonwealth departments – seeking their comments on the provisions of the bill. The committee received 15 written submissions. A list of submissions is provided at Appendix 1.

1.6 The committee considered the referral of the inquiry at a private meeting. Following discussion, the committee determined not to hold a public hearing in relation to the bill, but to prepare its report based on the background information provided in the EM and the Bills Digest and the issues raised by submissions to the inquiry.

## **Structure of the report**

1.7 Chapter 2 of the report provides the background to the bill, including the key provisions of the bill.

1.8 Chapter 3 describes the key issues raised by submitters to this inquiry, including: review and reporting requirements, accreditation of water resource plans, indigenous engagement and the changes proposed under Item 27 (Section 106) in relation to water trading by the CEWH.

## **Acknowledgements**

1.9 The committee appreciates the time and effort of all those who provided submissions. Their work has assisted the committee considerably in its inquiry.

## **A note on references**

1.10 References in this report are to individual submissions as received by the committee, not to a bound volume.

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2 Selection of Bills Committee, *Report No. 1 of 2016*, 4 February 2016, Appendix 5.