



JOSEPHINE KELLY BA, LLB, M.Tax
Barrister-at-Law
ABN 80 287 551 993

17 December 2010

The Secretary,
House of Representatives Standing
Committee on Regional Australia

My Dear Secretary,

Submission to the Inquiry into the socio-economic impact of the proposed Murray-Darling Basin Authority's 'Guide to the Proposed Basin Plan' on regional communities

The terms of reference of this inquiry are confined to considering the socio-economic impact of the reductions in water allocations for human use proposed in the Guide to the Proposed Basin Plan (the Guide).

The Guide was prepared on the basis that the *Water Act 2007* requires that social and economic effects are **not** to be taken into account when allocating water for the environment.

Therefore, this Inquiry is based on an acceptance that the legal position adopted by the Murray-Darling Basin Authority when preparing the Guide was correct: the Act, indeed, puts the environment first.

That is contrary to the impression given by Minister Burke when he spoke in the House of Representatives on 25 October 2010 and tabled legal advice which was reported as saying that the *Water Act 2007* delivered a “triple bottom line” outcome, taking into account social, economic and environmental considerations.

After that, statements by Minister Burke reported in the media seemed to criticize the Murray-Darling Basin Authority, and in particular its Chairman, Mr Mike Taylor, for failing to take into account social and economic considerations when determining the water allocation for the environment.

Clearly Minister Burke's role was to get the outrage of Basin residents out of the media glare by apparently reassuring them, the independents in the Coalition Government and the Opposition, that everything would be fine, that the cuts for human use would not be as great as those proposed in the Guide.

As an exercise in political spin, Minister Burke's performance was masterful and successful. Unfortunately, "collateral damage" was the resignation of a first rate public servant, Mr Taylor.

The terms of reference of this Inquiry reveal the Government's true position.

The Government is pushing ahead to adopt the water allocation for the environment determined by the Murray-Darling Basin Authority in its Guide and the consequential reductions in water allocation for human use.

I am now quite sure that my analysis of Minister Burke's speech and the legal advice he tabled on 25 October 2010 was correct. He did not actually say that the Act required social and economic considerations to be taken into account when determining the water allocation for the environment and the legal advice did not say that either.

My analysis was published on 16 November 2010 in the Financial Review and accompanies this covering letter as part of my submission.

I find it sad and pathetic that the Inquiry is holding its public hearings between 18 and 25 January 2011 - while Australia and the media are on holiday. Clearly, these hearing dates are intended to minimize participation by the public and publicity.

The purpose of this Inquiry is to condition the residents of the Basin to accept and adapt to the reductions in water allocations published in the Guide, and to keep the issue out of the media glare.

I ask members of the Committee not to accept those constraints, but to rail against them.

The future of the Murray-Darling Basin is one of the most important and complex environmental, economic and social issues in Australia's history. It must be considered carefully and fully, with the opportunity for media and public scrutiny.

Proceeding on the basis of reduced water allocations for human use set out in the Guide while pretending otherwise, and limiting public participation and media scrutiny, is deceitful. Australians deserve better from our Government and our Parliament.

Josephine Kelly