

Chapter One

Introduction

Terms of Reference

1.1 On 14 September 2005, the Senate referred the following matter to the Senate Rural and Regional Affairs and Transport References Committee for inquiry and report by the last sitting day in March 2006:¹

The impact on rural water usage of recent water policy initiatives and the possible role for Commonwealth agencies, with particular reference to:

- (a) the development of water property titles;
- (b) methods of protection for rivers and aquifers;
- (c) farming innovation;
- (d) monitoring drought and predicting farm water demand; and
- (e) the implications for agriculture of predicted changes in patterns of precipitation and temperature.

1.2 The date for presentation of the report was initially extended to 22 June 2006. When the committee later found that, due to its commitments to other inquiries, it was unable to complete its round of hearings, the Senate granted a further extension to 30 November 2006.²

Conduct of the Inquiry

1.3 The committee placed advertisements announcing the inquiry and calling for submissions in *The Australian* on 12 October 2005, 26 October 2005 and 9 November 2005. The committee also wrote to a number of interested individuals, organisations and state and Commonwealth agencies advising of the inquiry and inviting submissions.

1.4 The committee received 65 written submissions on the reference. The majority of submissions expressed concern about the impact of over allocation of water to irrigators in the Murray Darling Basin and the need to protect Australia's rivers and flood plains. A list of submissions is provided in **Appendix 1**.

1.5 The committee held six public hearings, in the following locations:

Canberra

7 March 2006

1 *Journals of the Senate*, 14 September 2005.

2 *Journals of the Senate*, 20 June 2006.

Toowoomba	2 August 2006
Canberra	16 August 2006
Canberra	15 September 2006
Canberra	12 October 2006
Canberra	18 October 2006

1.6 On 16 August, 15 September and 18 October 2006, the committee heard from interstate witnesses by teleconference.

1.7 During the inquiry, the committee took evidence from 55 witnesses, including individuals with an interest in water policy issues, representatives of industry organisations, academics, scientists, conservation and indigenous groups, local councils and community organisations. The committee also took evidence from representatives of government bodies – both Commonwealth and state. A list of witnesses is provided in **Appendix 2**.

1.8 The *Hansard* transcript of all public hearings is available on the Hansard website at www.aph.gov.au.

Interim Report

1.9 On 14 August 2006, amendments to the Standing Orders of the Senate resulted in changes to the structure of the committee system. As a consequence, the Rural and Regional Affairs and Transport (RRAT) References Committee ceased to exist as a separate committee on 10 September 2006.

1.10 Prior to the new arrangements coming into effect, the RRAT References Committee thought it appropriate to provide an interim report to the Senate, outlining the issues raised in the inquiry and providing a progress report in relation to the work of the committee. The *Rural and Regional Affairs and Transport References Committee, Water Policy Initiatives: Interim Report*, was tabled in the Senate on 7 September 2006.

1.11 The committee's interim report noted that the majority of submissions to the inquiry had come from individuals and organisations representing the Lower Balonne flood plain, Culgoa and Brewarrina areas. The submissions all raised concerns in relation to the over-allocation of water in South West Queensland.³

1.12 The interim report also noted that the following issues were raised in submissions and evidence provided to the committee:

3 *Rural and Regional Affairs and Transport References Committee, Water Policy Initiatives: Interim Report*, September 2006, p. 2.

- The undeniable impact of drier climate conditions on water resources throughout Australia (with the possible exception of the Northern Territory).
- The social implications for downstream users of over-allocation of rivers upstream – allocations often made by another state than the one in which the downstream river dwellers reside.
- The failure to measure and account for water harvested from river flood plains.
- The lack of a definitive database and measuring tools relating to surface water resources (although good work is being done right across the country to fill in the gaps in many areas).
- The lack of understanding of our groundwater resources and their inter-relationship with surface water resources.
- The early development of a water trading regime.
- The relationship between rural and urban water needs.
- The role of recycling in meeting the water needs of the city and the farm in a drier environment.
- Calls for greater protection (and in a few cases greater regulated use) for Australia's pristine northern rivers.⁴

1.13 The committee's interim report acknowledged that the management of Australia's water resources is a difficult balancing act, and commented on the issues raised in submissions and in evidence to the committee. The committee did not make any recommendations in that report.

Current Report

1.14 Following the changes to the Senate committee system, a new Legislative and General Purpose Standing Committee was formed - the Standing Committee on Rural and Regional Affairs and Transport – which took the place of the References Committee. The committee has a new membership and has appointed a new Chair.

Structure of the Report

1.15 Chapter Two of the report provides background information regarding water policy and discusses the need for improved water resources planning and clearer definitions in relation to water entitlements and allocations. This chapter also provides comment on the need for better measurement of water usage and accurate and reliable data in order to facilitate improved water management and a more consistent national approach to water trading.

4 *Rural and Regional Affairs and Transport References Committee, Water Policy Initiatives: Interim Report*, September 2006, p. 3.

1.16 Chapter Three focuses on the issue of over allocation of water from the rivers and flood plains of the Murray-Darling Basin. It outlines problems currently being experienced in the basin including the Condamine-Balonne catchment area. This chapter also raises issues such as the setting of 'caps' for the extraction of water and the need to accurately measure, and possibly reduce, water allocations.

1.17 Chapter Four describes the problems associated with reduced rainfall on the sustainability and security of Australia's water resources. Ways in which agricultural industries are attempting to adapt to reduced rainfall such as improved irrigation practices and drought resistant crops are described. Also discussed are the issues surrounding rural and urban water trading and water recycling.