

# **Additional Comments from the Australian Greens**

## **Water Policy Initiatives**

Understanding the likely impacts of reduced rainfall, increased temperatures and increased climactic variability and the need to undertake appropriate forward planning and developing appropriate adaptation strategies are critical issues for water resource security in Australia. The Australian Greens believe that these issues are not being dealt with the degree of urgency or at the level of detail required. We are extremely concerned that the consensus among our scientific experts in the areas of water resources, climate and agriculture is that predicted climactic changes and those already thought to have taken place pose a major threat to the security of our water resources and the ongoing viability of some of our agricultural zones.

Significant evidence was presented to the committee inquiry on this issue that demonstrated that there is a pressing need to act decisively on these issues.

### **Need to factor climate change into water management**

Under these circumstances we urgently need to re-evaluate our water resource security planning, look at our priorities for water use and the way we allocate risk, and to take very seriously the issue of developing adaptation strategies based on the best science.

The Australian Greens believe that we need to consider the flexibility and adaptability of our allocation systems to deal with the likely impacts of climate change.

The fundamental importance of factoring the impacts of climate change into our systems of water management and allocation was put very clearly by CSIRO in their submission to the inquiry, where they stated that:

*... "Under the present water reforms, longer term water security is not guaranteed since these reforms do not explicitly take into account threats to water quantity and quality due to enhanced climate variability and change."*

CSIRO suggests that there are significant knowledge gaps in terms of the impacts of climate change on irrigation, water management, regional planning and the economy suggesting that *"it is crucial to understand the impact climate change would have on water demand and potential land use changes as water is traded to higher value production."*

This implies that we should undertake this analysis on the likely (social, economic and environmental) impacts of current water reforms as a matter of priority.

CSIRO then suggested that: *"a multi-stakeholder national initiative is needed to consider climate change impacts on farm to regional levels, and to devise robust policy options for the viability of irrigated agriculture, hydroelectric power generation, rural industries and regional communities."*

And then went on to recommend:

*"There is a need to incorporate climate variability and change scenarios into understanding the sustainable footprint of irrigation, irrigation demand management, whole farm planning and environmental management."*

The Queensland Farmers Federation also stated:

*QFF recognises that responding to and managing for climate variability and change is fundamentally a responsibility of farmers and rural industries. It is also recognised that this management effort must also be supported by clearly defined government policy and targeted scientific research.*

...

*QFF does not believe that current drought programs adequately address the needs of intensive agricultural industries, continuous production systems, and those impacted beyond the farm gate.*

*Recommendations for policy change include:*

- *A national approach to drought preparedness and drought management is a preferred position to the present reactive and uneven approaches embedded in the 'Exceptional Circumstance' programs.*
- *Farm management system programs which incorporate climate variability offer considerable leverage in dealing with future droughts and climate change/variability, and therefore should become the linchpins of future 'drought policies'.*
- *There is a need to prepare ahead for drought so the impacts can be minimised.*

*QFF suggests that a national approach to drought preparedness and drought management is a preferred position to the present reactive and uneven approaches embedded in the 'Exceptional Circumstance' programs.*

*[QFF submission 34, page 5]*

***Climate change must be given greater attention in water resource management and decision making.***

### **The impact of recent water policy initiatives**

The terms of reference of the inquiry directed that the committee look specifically at the impact on rural water usage of recent policy initiatives and the possible role of Commonwealth agencies.

To an extent, the ability of the committee to assess the impact of recent national policy initiatives has been limited by the extent to which the current major initiative NWI (the National Water Initiative) appears to be in an early stage of implementation. However, given that the NWI was signed by most of its parties on 25<sup>th</sup> June 2004 and built on a previous COAG framework that had been in place for a decade, the lack of progress on the initiative and the difficulty faced in identifying and assessing its major impacts is itself a cause for major concern. The Australian Greens are concerned that given the increased risk to water security currently facing Australia that the committee report has not gone far enough in assessing and commenting upon the impacts of this policy, nor does it provide sufficient discussion and recommendations as to how these

issues could be addressed, particularly in relation to the potential role that could be played by Commonwealth agencies.

Water policy is constitutionally a state responsibility, and the delays in the implementation of key aspects of the NWI - such as the adoption of standardised terminology, a consistent approach to water entitlements, the sharing of monitoring data, and facilitation of cross-border water trading - can predominantly be laid at the feet of recalcitrant state bureaucracies. However, at the same time it must be noted that there has been an absence of leadership at the federal level, and that the Commonwealth has not been above politicising water issues.

The committee heard evidence of this in Toowoomba, where the decision to impose a referendum on direct potable reuse, that failed to present an alternative water supply options and did not allow time for community education, has left the town without an easy answer to its water crisis. The ultimate consequence of the politicisation of this referendum is a significant setback for public acceptance of water recycling schemes at a time when water resource experts are saying that recycling will of necessity play a central role in solving our nation's water security problems. It is important that the Commonwealth makes the most of the opportunity to show leadership through NWI, and more thought should be given to how the Commonwealth can play a constructive role in getting NWI back on track. The Commonwealth could, for instance, more closely link delivery of its funds (from the \$2 Billion Australian Government Water Fund) to the achievement of NWI commitments. The decision to move away from outcomes-based funding under NWI has proved to be a retrograde step.

### **Adaptation Strategies & Farming Innovation**

The issue of the adaptation of Australian agriculture to reduced rainfall, higher temperatures and increased climactic variability is particularly important to the future of regional Australia. The Australian Greens are concerned that seriousness of the implications of climate change for the future of our rural communities and exports, our waterways and our environment are not being sufficiently canvassed.

We believe that there is a pressing need for research and development into adaptation strategies, and believe there needs to be wider discussion of the options beyond the GM cotton, drought resistant wheat varieties and improved irrigation practices mentioned in the committee report.

Improvements to the water use efficiency of irrigation systems and the resilience of current crops are only one aspect of farming innovation. While these incremental improvements are an important part of water resource management, and there are opportunities to recover significant volumes of water lost by current irrigation practices in many areas through leakage and evaporation, they are unlikely to recover sufficient volumes of water alone. The extent to which the system is already over-allocated combined with the predicted impacts of climate change on water availability make it likely that these initiatives alone will not be sufficient to ensure the ongoing sustainability of our rural industries and populations.

This is where farming innovation and agricultural research and development aimed at adaptation strategies is likely to be of crucial importance. The Australian Greens believe that we need to give greater consideration to increasing the sustainability, the flexibility and the resilience of our agricultural production systems and that we need to be providing better risk management tools to our land managers.

In their submission to the Inquiry, ACF suggested that:

*"... there is an urgent need for a national policy framework that drives large-scale private investment in a wide variety of commercial-environmental ventures ... It should serve to build the capacity of private land and water managers and investors to explore and identify new commercial opportunities that demonstrate multiple environmental benefits."* (ACF submission 15 page 9)

These comments refer to the findings of the 2001 Allen Consulting Group report to the Business Leaders Roundtable commissioned by CSIRO Land & Water, a group of private companies and ACF, which found that there were productive opportunities for industry-government partnerships that could deliver benefits to both land holders and the environment provided government provided the right kind of policy incentives.

The Australian Greens believe that more consideration needs to be given both to the kind of incentive schemes adopted and the extent to which incentives are linked to specific outcomes in particular target landscapes. We are concerned that there is a need for the incentive schemes to avoid the kinds of problems that have emerged from the experience of MIS (Managed Investment Scheme).

The Australian Greens also believe that more thought needs to be given to the sustainability and viability of alternative crops and systems advocated, and that ultimately this needs to be part of a renewed national effort to assess and plan for the likely impacts of climate change on our agricultural zones. Such an assessment could then provide the basis for an extended research and development program targeted to address known gaps, and the development of incentives and support packages for landholders in areas of identified need. Such targeting would address the concerns raised by QFF in relation to the *"reactive and uneven approaches"* embedded in the 'Exceptional Circumstances' programs.

While The Australian Greens support calls for improving irrigation efficiency and believe that governments can play an important role in doing so, we believe that public investment in improving irrigation infrastructure should be provided under circumstances where this action results in an appropriate level of public benefit in return - for example, through water savings being returned to public uses (town supplies, environmental flows). The public benefits ultimately need to balance the costs for this not to simply be an undue form of industry subsidy - they should be justifiable and comparable to the costs of securing water by other means. This view is supported by the ACF submission, which states:

*"There are clear opportunities for partnerships between business and government jointly investing in efficiency projects and using public money to leverage private investment in adopting farm-based innovation. All investment of public money*

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*should result in commensurate public benefit, and water recovered as a result of public investment must be returned to the environment rather than the consumptive pool." (ACF submission 15 page 9)*

The Australian Greens believe that it is reasonable for the community to expect that there is a level of obligation on all Australian industries, including irrigation, to contribute to making their industries more sustainable.

### **Conclusion**

The Australian Greens believe that a greater sense of urgency is required to address the water crisis facing Australia. The system is unlikely to ever return to 'business as usual,' particularly in the Murray Darling Basin, and so it is essential that State and Federal governments move more quickly to address the problem of over-allocation, address climate change and take action to save our waterways, floodplains and wetlands before it is too late.

Senator Rachel Siewert  
Australian Greens

