



22 February 2016

Committee Secretary
Senate Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Committee Secretary

VFF Submission - Inquiry into the Water Amendment (Review Implementation and Other Measures) Bill 2015

The VFF welcomes the opportunity to provide a submission to the Inquiry into the Water Amendment (Review Implementation and Other Measures) Bill 2015.

The VFF is a key voice for Victorian irrigators and rural communities. The agricultural sector in Victoria contributes 4.9 per cent to gross state product and in 2013-14 it was valued at \$11.8 billion. The food and fibre sector employs 191,700 people in rural and regional communities of Victoria.

The availability and price of water are key drivers of productivity in the southern basin. Both these factors have been strained in recent times due to Basin Plan implementation, low rainfall, low catchment inflows as well as changing water use patterns within the southern connected basin. This Water Amendment Bill proposes changes which will provide the Commonwealth Environmental Water Holder (CEWH) additional powers to trade allocation and utilise revenue for environmental works and measures.

These changes will provide opportunity for the CEWH to return allocation to productive use when appropriate and for the revenue from these trades to be used to improve environmental outcomes from watering activities.

The primary concerns of the Selection of Bills Committee in referring the Water Amendment Bill to the committee were in regards to;

- 1- The extension of section 106 of the Water Act 2007 to allow the CEWH to use trade revenue for 'environmental activities' in addition to buying more water, and
- 2- The definition of 'environmental activities', and
- 3- How it would be determined whether a project meets this definition

The VFF supports the amendment of the Water Act to extend the activities that the CEWH can use trade revenue for to include works and measures. The VFF has long called on the government to reform the management of environmental water to allow the CEWH greater flexibility to trade water



on the temporary market and to use the proceeds of these trades for works and measures. This amendment

The VFF believes that current drafting of the amendment is adequate. The Water Act's limitations on the functions of the CEWH¹ and the explanation of 'environmental activities' provided in the explanatory memorandum provide appropriate direction and limitations in regards to 'environmental activities'.

The VFF supports the changes to section 106 to allow the CEWH to use trade revenue for other environmental activities and encourages the committee to consider our support in making their recommendations.

For enquiries about this submission please contact Luke Hooke, Policy Adviser – Water on 03 9207 5522.

Peter Tuohey
President
Victorian Farmers Federation

¹ Water Act 2007 (Cth) Section 105(2)(e)(ii)