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

Sent by email: rrat.sen@aph.gov.au

22 February 2016

Dear Sir/Madam,

Submission to Senate Rural and Regional Affairs and Transport References Committee Inquiry into the Water Amendment (Review Implementation and Other Measures) Bill 2015

1. Thank you for the opportunity to make a submission to the Inquiry.
2. WWF-Australia is part of the WWF International Network, the world's largest independent conservation organisation. WWF's global mission is to '*stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature*'. WWF is active in more than 100 countries and has approximately five million supporters. In Australia, WWF has approximately 90,000 financial supporters, 200,000 non-financial supporters and about 180,000 supporters across our social media channels.
3. WWF-Australia supports investment in environmental water and environmental activities that promote the long-term health of river systems, including measures to treat cold-water pollution and construct fish ladders and carp exclusion devices. These activities play an important role through improving environmental outcomes in river systems. Decisions about how to manage environmental water should be underpinned by a transparent scientific evidence-based process.
4. WWF-Australia is supportive of the existing laws that provide the Commonwealth Environmental Water Holder (CEWH) with flexibility to trade water provided that the trade will improve the capacity of the CEWH's water holdings to be applied to meet environmental water objectives.
5. WWF recognises the important role of water trading in providing flexibility in managing both the short and long-term risks, optimising environmental watering outcomes and disposing of allocations in constrained flow reaches where further provision of water may lead to undesirable outcomes such as flooding of agricultural lands.

Concerns in relation to the proposed amendments

6. WWF-Australia reiterates the concerns of the Wentworth Group of Concerned Scientists and does not support the amendments under Item 27 (Section 106) to allow trade revenue to be used for 'environmental activities' instead of buying water for the Murray-Darling Basin.

7. We are likewise concerned that ongoing investment in environmental activities could lead to a long-term reduction in environmental flows.

8. In relation to the proposed amendments, we share the following concerns of the Wentworth Group:

a. The amendments will likely reduce reinvestment in environmental water allocations and consequently leave even less environmental flows in rivers in the long term. As it currently stands, the 2,750GL Basin Plan recovery target is the '*minimum amount of water that will enable the achievement of... Basin-wide environmental objectives*'¹, and to date there has not been enough water acquired to meet this minimum target².

b. The *Water Act 2007* states that CEWH's functions are specifically related to water holdings³, and the *Environmental Water Holdings Special Account* was set up for this purpose⁴. The proposed amendments would broaden CEWH's responsibilities beyond those which were intended in the *Water Act 2007* and may encourage cost-shifting whereby CEWH's funds are used to subsidise environmental programs that should be funded from other sources.

c. Safeguards in the proposed amendments are difficult to enforce and may leave Commonwealth environmental water funds vulnerable to misuse. The SDL safeguard does not limit the volume of water allocations that can be disposed of, nor the amount of money that can be reinvested in environmental activities.

9. If you have any questions about this submission, please contact me on 0410 086 986 or ptoni@wwf.org.au.

Yours faithfully,

Paul Toni
National Manager – Science, Policy and Government Partnerships
WWF-Australia

¹ MDBA 2011 The proposed 'environmentally sustainable level of take' for surface water of the Murray– Darling Basin: Method and outcomes

² Currently 1,954GL LTAAY as at 31 Dec 2015. <http://www.environment.gov.au/water/basin-plan/progress-recovery>

³ S105(2) states the functions of the CEWH

⁴ s113(2)(a) of the *Water Act* outlines the purpose of the Special Account is to support the functions of the CEWH in purchase, disposal and dealings with water and water access rights