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SUBMISSION

Inquiry Into The Water Amendment [Review Implementation and Other Measures] Bill 2015 [Provisions]

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Introduction

NSW Irrigators' Council (NSWIC) represents more than 12,000 water access licence holders across NSW. These licence holders access regulated, unregulated and groundwater systems. Our Members include valley water user associations, food and fibre producers, irrigation corporations and commodity groups from the rice, cotton, dairy and horticultural industries.

This submission represents the views of NSWIC with respect to the Inquiry by the Senate Rural and Regional Affairs and Transport Legislation Committee into the *Water Amendment [Review Implementation and Other Measures] Bill 2015* Provisions. However, each Member of NSWIC reserves its right to an independent policy position on issues that directly relate to their areas of operation, expertise or other issues deemed relevant.

NSWIC appreciates the invitation to provide a submission to the Committee's inquiry into the Water Amendment Bill, with particular regard to the proposed powers of the Commonwealth Environmental Water Holder (CEWH) to use the proceeds of the sale of Commonwealth held water entitlements to fund 'environmental activities' under the Murray Darling Basin Plan; rather than being restricted to only the purchase of further water for the environment from within the Basin.

NSWIC's Position on The Water Amendment Bill 2015

NSWIC supports the provisions of the Water Amendment [Review Implementation and Other Measures] Bill 2015.

Nevertheless, as contained in previous NSWIC submissions to the Government on the Review of the Water Act 2007, the Council believes the Amendment Bill falls short, in that NSWIC advocated for additional amendments not included in the Bill. Specifically, NSWIC called for:

- The strengthening of the necessity under the Water Act 2007 to meet optimum triple bottom line outcomes in the social and economic, as well as environmental, effects of the Murray Darling Basin Plan - so as to make the meeting of all three criteria in the implementation and evaluation of the Plan absolutely unambiguous.
- The amendment of the additional environmental water recovery target in the Murray Darling Basin under the Environmental Special Account provisions - to specify a less prescriptive additional water recovery target of "up to" 450Gigalitres, rather than the absolute figure contained in the Act of 450Gigalitres. This amendment would reflect the original draft wording of the Act.
- The deletion of Section 106 of the Act in its entirety to allow the CEWH maximum flexibility to use the proceeds of the sale of water to meet the environmental objectives of the Basin Plan - including the use of those funds to cover the cost of holding and deploying environmental water, as necessary.

The achievement of these additional amendments to the Water Act 2007 remains NSWIC policy and will be pursued with the Government.

NSWIC's Position on the Amendments of Section 106 of the Water Act 2007.

NSWIC supports the changes contained in the Amendment Bill in relation to Item 27 of Section 106 of the Water Act.

The existing provision requiring the CEWH to only apply the proceeds of the sale of Commonwealth held water to buying additional volumes of water elsewhere in the Basin is, in our view, far too restrictive in the achievement of environmental outcomes in the Basin. Non flow related environmental initiatives to assist in meeting the environmental objectives of the Plan must also be considered. NSWIC remains committed to ensuring that environmental water is deployed as efficiently and effectively as possible across the Basin through targeted delivery of water for the environment, and pursuit of the best possible environmental outcomes under the Basin Plan. These environmental outcomes can be enhanced through investment of water sale funds by the CEWH in a range of projects, programs and initiatives - including non flow related investments.

Therefore NSWIC recommends adoption of the position reflected in the Item 27 (Section 106) amendment contained in the Amendment Bill.

Definition and Oversight of Investment in 'Environmental Activities' by the CEWH

In regard to defining which 'environmental activities' the CEWH may invest water sale proceeds into, we urge the Committee to consider utilising the list of environmental objectives contained in the Basin-wide Environmental Watering Strategy published by the Murray Darling Basin Authority in November 2014.

Under this Strategy there are four environmental objectives specified:

- Improvement of the connections along rivers, and between rivers and their floodplains.
- Maintenance of the extent of and improvement in the condition of vegetation.
- Maintenance of the current diversity of water bird species, and improvement in breeding success and numbers.
- Maintenance of current native fish species diversity, extent of distribution, and improvement in breeding success and numbers.

Under the provisions of the Water Act 2007 the CEWH must have regard to the Basin-wide Environmental Watering Strategy in decisions regarding deployment of Commonwealth held environmental water, and wherever CEWH water deployments significantly differ to the Strategy the reasons must be detailed in the CEWH Annual Report to Parliament.

In NSWIC's view the use of these environmental objectives of the Basin Plan and the linkages between investment of CEWH water sale proceeds with achievement of one or more of these objectives would provide sufficient definition of allowable 'environmental activities' to be undertaken through CEWH water sale funds investment. The CEWH's annual reporting responsibilities would also provide confidence that the investment of those funds would be appropriately overseen by Parliament.

Therefore NSWIC recommends adoption of the environmental watering objectives specified in the MDBA Basin-wide Environmental Watering Strategy (November 2014) to guide CEWH investment of water sale proceeds into environmental activities, and the use of the CEWH Annual Reporting process to ensure that Parliament has oversight of compliance.

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