

Submission to the Senate Standing Committee on Environment and Communications

Inquiry into the Water Amendment (Water for the Environment Special Account) Bill 2012

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Introduction

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

This document represents the views of the members of NSWIC with respect to the proposed *Water Amendment (Water for the Environment Special Account) Bill 2012*. However each Member reserves the right to independent policy on issues that directly relates to their areas of operation, or expertise, or any other issue that they may deem relevant.

General Comments

In the absence of a finalised Basin Plan as a legislative background for this Bill, it remains extremely difficult for NSWIC – or any other entity – to provide meaningful advice to the Committee. In this respect, NSWIC would like to refer the Committee to the concerns raised in our previous submission to the *Inquiry into the Water Act Amendment (Long Term Sustainable Diversion Limit Adjustment) Bill 2012*.

For the avoidance of any doubt, NSWIC supports the concept of an adjustment mechanism to which the *Water Amendment (Water for the Environment Special Account) Bill 2012* relates to. We would like to reiterate that it is our understanding that the details of such a mechanism is contained within the current Draft Basin Plan, which has not been made public nor shown to stakeholders. As such NSWIC is unable to make any further comment in this regard.

In accordance with NSWIC's consultation expectation, the timeframe available for submission to the proposed *Water Amendment (Water for the Environment Special Account) Bill 2012* is grossly insufficient for a peak group like NSWIC to consult adequately with its Members. This submission should therefore be regarded as preliminary only until further consultation with NSWIC's constituency has taken place.

Specific Concerns

In line with NSWIC's previous submission, we reiterate that in the absence of the relevant legislation to which this Bill refers to, NSWIC is unable to support this amendment of the *Water Act 2007* (Water Act).

It may be the case that NSWIC supports this legislative change however at present we are entirely unable to provide opinion on that matter.

The following concerns arise in the absence of specific information;

86AA(1) – Absence of a triple bottom line approach

The accompanying *Explanatory Memorandum* suggests that the Bill takes into consideration a triple bottom line approach,

The government is committed to building on the Basin Plan to achieve environmental outcomes beyond those delivered by a 2750 GL reduction while maintaining or improving economic and social outcomes¹

however, the Bill does not reflect this approach and concentrates solely on environmental outcomes;

The object of this part is to enhance the environmental outcomes that can be achieved by the Basin Plan (...)²

If the intention of the Bill is to achieve greater environmental outcomes subject to social and economic neutrality, then the Bill should outline this explicitly.

86AA(3) Easing or removing of constraints

NSWIC reiterates that the removal of constraints that would allow for a greater delivery of environmental water to the environmental assets in the Murray-Darling Basin is a lengthy and difficult process that is likely to cause third party impacts.

In line with the suggestions made in the *Explanatory Memorandum* with respect to economic and social outcomes, the Bill should explicitly reference the mitigation strategies that would ensure minimisation of third party impacts in conjunction with removing or easing constraints.

The suggestions made in the *Explanatory Memorandum* states that;

The Bill establishes the Account to set aside these funds to enable water to be recovered and constraints to be removed without negatively impacting on the wellbeing of communities in the Basin. (emphasis added)³

This notion is not reflected in the Bill.

86AD(2)(b) Purchase of Water Access Rights

NSWIC is extremely concerned about the reference to purchasing water access rights in relation to Basin Water resources for the purpose of furthering the object of this Bill.

This subsection provides the Government with an explicit option for further buybacks of water access rights which NSWIC cannot support. If the purpose of this Bill is to achieve environmental outcomes beyond those delivered by a 2750 GL reduction while maintaining or improving economic and social outcomes, then clause 86AD(2)(b) needs to be removed. As the removal of any productive water from the Basin will have social and economic implications, clause 86AD(2)(b) cannot be included in this Bill.

¹ The Parliament of the Commonwealth of Australia, Water Amendment (water for the Environment Special Account) Bill 2012, Explanatory Memorandum, p.2

² The Parliament of the Commonwealth of Australia, Water amendment (Water for the Environment Special Account) Bill 2012, p.3

³ The Parliament of the Commonwealth of Australia, Water Amendment (water for the Environment Special Account) Bill 2012, Explanatory Memorandum, p.2

Likewise, clause 86AD(4) needs to be amended to omit any reference to purchase of water access rights.

NSWIC has strongly advocated for further environmental outcomes to be achieved through infrastructure and 'environmental works and measure' upgrades as outlined in 86AD(2)(a)(i) and strongly urges the Committee to reflect this in the current Bill.

Section 86AD – Purpose of Special Account

As NSWIC has outlined in its previous submission to the *Inquiry into the Water Act Amendment (Long Term Sustainable Diversion Limit Adjustment) Bill 2012*, it is of crucial importance that a guarantee is provided that all current programs and funding are directed to the current 'gap' and that any additional recovery is solely made through new programs with new funding. The Bill currently does not support this guarantee explicitly.

Submission

NSWIC submits that the Committee report to the Senate that the Bill cannot be properly considered in the absence of the current Draft of the Basin Plan. The Committee should therefore recommend that consideration of the Bill be deferred until such time as the current Draft Basin Plan is able to be considered by the Senate, stakeholders and the public.

ENDS.