

fair water use

- advocating environmentally responsible use of Australia's water

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Fair Water Use is an independent and politically non-aligned lobby group, organised and supported by ordinary Australians who share concerns about Australia's water future - especially that of the Murray-Darling Basin.

It provides the following comments in response to the request for input to the Senate Inquiry into the provisions of the Water Act 2007, as it harbours serious concerns that the review of the Act has been prompted by political expediency rather than a genuine desire to secure the health of the nation's most vital river system, essential if Basin communities are to have a sustainable future.

- **Any ambiguities or constraints in the Act which would prevent a Basin Plan from being developed on an equally weighted consideration of economic, social and environmental factors:**

The Intent of the Water Act 2007

Far from being ambiguous, the Water Act 2007 is clearly intended to prioritise the environment - and for very sound reason: It is only by ensuring the environmental health of the Murray-Darling river system that the social and economic fabric of the Basin will be maintained for generations to come.

Several experts, including constitutional lawyer, Professor George Williams, have already indicated that they are of the firm opinion that the Act prioritises environmental water requirements. Moreover, *Fair Water Use* has received communications from the irrigation industry, including the NSW Irrigators Council, confirming that they also believe this to be the case.

Fair Water Use urges the Inquiry to give serious consideration to the definition of "ensure" and "optimise", as applied to the following fundamental objects of the Act:

- to promote the use and management of the Basin water resources in a way that **optimises** economic, social and environmental outcomes
- to **ensure** the return to environmentally sustainable levels of extraction for water resources that are overallocated or overused

Definition (Collins English Dictionary):

Optimise: to find the best compromise amongst conflicting requirements

Ensure: to guarantee; to make safe or secure; to protect

In effect, the Water Act 2007, and therefore the Basin Plan, is obliged to *promote the use and management of the Basin water resources in a way that **finds the best compromise for the Basin as a whole**, whilst **guaranteeing** the return to environmentally sustainable levels of extraction for water resources that are overallocated or overused, and also **protecting, restoring and providing for** the ecological values and ecosystem services of the Murray-Darling Basin”.*

Fair Water Use is concerned that the aim of this Inquiry is to set the wheels in motion whereby the Act will be amended to the direct benefit of the irrigation sector, rather than in the national interest.

The actual contribution of irrigated agriculture to Basin communities

Fair Water Use urges the Inquiry to consider the following:

1. The Gross Value of Irrigated Agricultural Production in the Murray-Darling Basin historically comprises only around one third of the Gross Value of Agricultural Production in the Basin, and around 15% of the total value of Australian agricultural commodities.
(<http://www.abs.gov.au/ausstats/abs@.nsf/mf/4610.0.55.007>)
2. Australian Bureau of Statistics (ABS) data (2006) indicates that only 10% of the population of the Murray-Darling Basin is involved in agriculture.
(<http://www.abs.gov.au/ausstats/abs@.nsf/mf/4610.0.55.007>).
It must be emphasised that this figure includes both irrigated and dry-land farming, the latter sector being largely unaffected by the Basin Plan and responsible for around 66% of the Gross Value of Agricultural Production in the Basin.
3. The total value of the Basin economy has been estimated at AUD 23 billion.
(<http://www.environment.gov.au/water/publications/action/case-studies/murray-flows.html>)
4. The ABS has calculated the annual value of ecosystem services provided by a healthy Murray-Darling river system at AUD 187 billion (Ref: *ABS Year Book Australia 2009-10* 1301.0 – “Australia’s Biodiversity – Feature Article”, 4th June 2010).
5. ABS data indicates that in 2000-1, prior to the onset of the recent drought, the Gross Value of Irrigated Agricultural Production in the Basin was only AUD 5.1 billion.
(<http://www.fairwateruse.com.au/content/view/302/47/>)

Therefore, even allowing for flow-on impacts, it is highly irresponsible for sections of the irrigation community and some political figures to claim that the reductions in water diversion for irrigation proposed in the Guide to the Draft Basin Plan will lead to the demise of the society and economy of the Basin as a whole, exemplified by the following statement released by the NSW Irrigators Council in October 2010: “. . . we need to have a discussion about how to balance the competing needs of social, economic and environmental assets. We haven't done that yet - but if we don't start soon, it will be too late for two of them.” (Source: <http://www.basinplan.com.au>: sham MDBA website established by the NSW Irrigators Council).

It is entirely inappropriate to seek amendment of a Federal Act of Parliament to promote the commercial interests of a minority to the detriment of the majority.

- ***The constitutional power of the Commonwealth to legislate in the area of water:***

Fair Water Use has been advised that the Commonwealth has the power to legislate on water issues, but also believes that Section 100 of the Australian Constitution does not provide adequate protection of water as a public good under prevailing conditions.

Fair Water Use encourages the Commonwealth to seek a mandate, via plebiscites, to amend the Constitution, addressing this vital concern.

- ***The role of relevant international agreements and the effect of those on the parts of the Act which direct the Basin Plan to give effect to those agreements and their effect on the Act more generally:***

Should the Water Act 2007 be amended as proposed, the downgrading of environmental commitments would raise serious doubts as to whether the Commonwealth would be able to fulfil its responsibilities with respect to a range of environmental agreements, most notably those entered into under the Ramsar Convention.

- ***Any amendments that would be required to ensure that economic, social and environmental factors are given equally weighted consideration in developing the Basin Plan:***

Fair Water Use maintains that the intent of the Water Act 2007 quite correctly prioritises the environment, and does not feel that amendment is necessary or advisable.

Unless the Water Act “ensures the return to environmentally sustainable levels of extraction for water resources that are overallocated or overused”, Basin communities will face the same grim future as has historically applied to those societies that have overexploited available water resources.

- ***Any other related matters:***

Concerns have been raised regarding the impact of the Basin Plan on the nation’s food security. The Inquiry may be tempted to seek amendment to the Water Act 2007 in response to these concerns.

However *Fair Water Use* urges the Inquiry to consider the following:

1. ABS data on the efficiency of irrigated water use in the Basin indicates that in 2005-6, in the midst of the most severe drought in living memory, cotton cultivation consumed over 1,500,000 megalitres of Murray-Darling water (<http://www.fairwateruse.com.au/content/view/302/47/>), in excess of 20% of the total amount of water used by irrigated Basin agriculture in that year; precious water which could have been directed to the production of foodstuffs or the mitigation of acid-sulphate decay in critical environmental assets.
2. Analysis of the same ABS data reveals that the cultivation of cotton in the Murray-Darling Basin returns in the region of AUD 550 per megalitre of irrigation water. This compares very poorly to food crops such as vegetables, fruit and nuts, which typically yield up to AUD 5700 per megalitre. Moreover, the vast majority of the cotton crop is exported with minimal value-adding in Australia, earning large profits for a few large and increasingly foreign-owned concerns whilst contributing little to the regional economy in comparison to the cultivation of vegetables, fruit and nuts.
3. The majority of the Australian rice crop is exported and historically yields a mere AUD 250 per megalitre of irrigated water applied.

4. In 2005-6, the volume of Murray-Darling water lost in the form of “exported virtual water” (that required to cultivate a product bound for overseas markets), has been estimated at 2,800,000 megalitres (based on ABS data): close to 40% of the entire volume of water used for irrigation in the Basin in that year.
5. It should be noted that the above volume, 2,800,000 megalitres (2,800 gigalitres), approximates to the minimum volume (3000 gigalitres) of environmental water sought by the Murray-Darling Basin Authority in its Guide to the Draft Basin Plan.

Conclusion

The Inquiry is urged to demonstrate a mature understanding of the serious regional and national implications of amending the Water Act 2007 to appease some sections of the irrigation sector. Vision must take precedence over political expediency.