



Ms Sophie Dunstone
Committee Secretary
Standing Committee on Environment and Communications
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Dear Ms Dunstone

NSW Government comments on the Water Amendment (Long-term Average Sustainable Diversion Limit Adjustment) Bill 2012.

The NSW Government supports an SDL adjustment mechanism as a means of providing equivalent environmental outcomes through rules and measures that makes better use of environmental water. In particular the NSW position is that priority should be given to infrastructure and SDL offsets to meet the water required to be recovered under the Basin Plan as a means of reducing the volume of water removed from agriculture production via licence buybacks.

NSW successfully sought for the Bill to ensure that the advice of the Basin Officials Committee, as the forum for inter-jurisdictional input into the process, is considered when the MDBA proposes an adjustment (clause 23A (2) (c)). However, there is still concern that the Bill provides the MDBA with the ultimate authority to determine whether an SDL adjustment will be made or not and that the Commonwealth Minister must adopt the MDBA's proposal.

The final responsibility for determining an SDL adjustment should be that of the Commonwealth Minister, in consultation with the relevant Ministers from affected States, not an independent agency.

Further the Bill in clause 23A (2) (a) requires that the Basin Plan must include the criteria for determining an adjustment and that the MDBA is to be satisfied that the criteria have been met. It would be more appropriate that the criteria be determined by the Basin Officials Committee and that this Committee be satisfied that the criteria is met.

Further the adjustment mechanism allows for the SDLs to not only be increased, but also to be reduced by 5% through the recovery of additional water beyond 2,750 GL. It is important to ensure that any further recovery of water by means of an SDL adjustment will not result in a worse socio-economic outcome.

Yours sincerely

David Harriss
Commissioner, NSW Office of Water