

Secretary: *af*

RECEIVED

17 OCT 2002

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
AGRICULTURE, FISHERIES
AND FORESTRY

Attention Committee Secretary
Standing Committee on Agriculture, Fisheries and Forestry
House of Representatives
Parliament of Australia

15/10/2002

This submission has been prepared by the NSW Rural and Regional Committee of the Liberal Party. The NSW Division of the Liberal Party has a standing committee called the Rural and Regional Committee. It is made of organisational members of the NSW Division and one Member of Parliament. This submission does not represent Party policy. It is compiled from feedback after Committee members canvassed regional members of the Party and their community networks.

1/ The Role of the Commonwealth in ensuring adequate and sustainable supply of water in rural and regional Australia.

Our view is that the Commonwealth should adopt a more proactive role in the management of the Nation's water. Obviously control rests with the States through the Constitution however this is no longer satisfactory. Water and salinity issues are poorly defined by State borders and this structure is not conducive to resolving the very issues this inquiry is investigating. River systems and catchments cross borders leading to blame shifting and hindering solutions.

If this is accepted there are two possibilities. First water management is constitutionally removed from the States, which would be very difficult to achieve. The second alternative is to tie Commonwealth funding to desirable Water outcomes. The second path is feasible if there is a review of the Productivity payment system. Presently significant dividends are paid to the States when broad NCP guidelines are met. These funds are then lost to State 'consolidated revenue'. Arguably there is now nationwide motivation to refine these NCP payments to be conditional on the dividends being used specifically on Water reforms.

In any case it timely to have a COAG meeting dedicated to reviewing Water. Water has been on the COAG agenda but has been overshadowed by headline issues such as stem cell research. Issues to be covered in this meeting would include - NCP payments; environmental targets; agricultural requirements; domestic requirements; water trading; drought management.

It should be noted that a feature of the feedback was a distrust of the State government. The underlying cause of this seemed to be Catchment Management Boards were dominated by bureaucrats with poor connections and understanding of the local communities.

2/Commonwealth policies and programmes, in rural and regional Australia that could underpin stability of storage and supply for domestic consumption and other purposes.

Domestic consumption and other uses can only be properly evaluated when there is a National Water Audit. This is difficult under the present structure of State management. It is important for regional cities and towns to manage their storages for present and future needs, but the States will continue to have this responsibility in the foreseeable future. The mismanagement of the NSW government is evidenced by failure of some western towns water supplies. The Commonwealth may have a role in making directly available to Local government grant or loan funds to augment their water storages. This would be contingent on meeting reasonable environmental and agricultural requirements within the same water system.

3/The effect of Commonwealth policies and programmes on current and future water use in rural Australia.

NCP is driving far reaching water reform. Feedback to the NSW Rural and Regional Committee indicated this was generally thought to be desirable. However there was concern the reform had been 'hijacked' by the the Green movement and the political pursuit of green preferences. The consequence of this was regional needs were too often ignored or misunderstood. It was suggested more weight be given to local input into Catchment Management Boards and this be recognised in the NCP Water reform process.

4/Commonwealth policies and programmes that could address and balance the competing demands on water resources.

Feedback from our networks included specific suggestions such as converting irrigation channels to pipes and ensuring water rights remained with farmers and did not fall into the hands of speculators.

However the the highest priority is the need for National Water Audit. The audit would cover : - 1/ An accurate history of our water systems. What is the true pattern of droughts and floods in our country? What was a typical water flow prior to 1788? What is a normal salt load for our water systems ? 2/A realistic environmental plan for our water systems. What level of biodiversity is realistic in our society. What is the goal - a pre 1788 status or usage that reflects a myriad of modern demands. 3/Domestic and industrial requirements. What are the projected needs for the regional communities for the next 50 years?

4/Agriculture. Is water now managed and charged in a manner that properly reflects its value? As water produces agricultural wealth and regional communities are limited in their capacity to generate wealth, it is important that water is only traded for agricultural purposes. What are the cost/benefit projections for the Commonwealth to provide taxation incentives to improve the efficiencies of irrigators? Or is it more desirable to let market forces stimulate the most efficient use of water available for agriculture?

Conclusion

There is an important role for the Commonwealth to measure and manage the Nation's water stocks. The view of the Rural and Regional Committee and its networks was overwhelmingly the State(s) were failing regional Australia. The State's priority were clearly dominated by the environmental movement to the detriment of agriculture and regional communities. There is an expectation that regional Australians will be equal partners in the water reform process. This is more likely when the Commonwealth takes a leadership role which includes a guaranteed voice for rural and regional Australia.

Scot MacDonald

Chair of NSW Rural and Regional Committee

Liberal Party of Australia

NSW Division

Contact Details

PO Box 256

Guyra NSW 2365

PH 02 6779 1599

Fax 02 6779 1895

Mobile 0415 108 205

E-mail scotm@bigpond.com