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PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

BILLS

Water Amendment Bill 2015

Second Reading

SPEECH

Thursday, 28 May 2015

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner		Responder	
Speaker	Baldwin, Bob, MP	Question No.	

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for the Environment) (09:45): I move:

That this bill be now read a second time.

The Water Amendment Bill continues and strengthens the Abbott government's commitment to Murray-Darling Basin communities, businesses and the environment. The coalition has always understood that sound water management, and the required water reforms, are critical in the Australian climate and they continue to be a high priority today, as the Bureau of Meteorology is forecasting a drier El Nino period ahead.

The Howard government developed and drove the implementation of the National Water Initiative from 2004. A decade on, under the Abbott government, we continue these endeavours and we seek to enshrine these reforms well into the future.

Our vision for water reform in Australia is very clearly founded in a triple bottom line outcome. We understand that the focus must be on the social, economic and environmental benefits equally. We will not achieve optimal outcomes through the Basin Plan without this triple bottom line focus.

Our government has committed, since 2012, to support and implement the Basin Plan in full and on time, recovering water for the environment to maintain a healthy river system, while enabling our agricultural sectors to be robust and productive, helping to develop and maintain viable rural communities.

As I have travelled through the basin, the issue that has been raised most often is the need for greater certainty for communities and farmers, certainty for their businesses and certainty for the environment. Our investment in the future of a sustainable agricultural sector underpins our commitment to the Basin Plan environmental outcomes and to farming communities.

The Abbott government is committed to delivering the Basin Plan.

We are delivering on the environmental needs and, as I have said in this place before, our government is investing over \$2.5 million per day to 2019 in the future sustainability of irrigated agriculture. This is our commitment to our environment and communities in the basin.

I go on about this point at length because the biggest issue we face in implementing the Basin Plan is to ensure that it achieves win-win outcomes—all members in this place have an obligation to get this right.

The Basin Plan represents the culmination of more than two decades of water reform, two decades of bipartisanship. To ensure the prosperous future of our communities we need to ensure that the health of the environment is sustainable for the long term and we need to provide certainty to all community sectors in the basin, for generations to come.

To achieve this aim, we have made a commitment to cap water purchases to 'bridge the gap' under the Basin Plan to 1,500 gigalitres across the Murray-Darling Basin. Our focus for the remaining water recovery task is focused on infrastructure upgrades, efficiency projects and environmental works and measures.

This will ensure enduring benefits for both the environment and our rural and irrigation communities. It is the hard-working men and women and their families and businesses in the basin that we have listened to and consulted with when coming to this decision. The basin itself is a precious resource, as are the many who live and work in it.

I have spent the past five months travelling almost the full length of the basin, meeting a wide range of people, who all hold a wide range of views on how we best manage the needs of the basin.

However, it does not matter whether they are farmers, environmentalists, Indigenous elders, fishermen, the local car dealer, bank manager or cafe owner or tourism operators, the common message is that they want to live in a healthy environment and they also want certainty for their community.

While the Basin Plan deals with the high level environmental targets, each individual and each community is doing what they can to improve the health of the environment that they live in. There are environmental groups who continue to advocate for an improved environment and who I have seen working with catchment management organisations to improve riverine and wetland vegetation, which in turn provides important habitats for fish and wildlife.

There are committed and engaged Indigenous groups that want to see outcomes for their communities that deliver on their responsibilities as traditional land managers. They continue to work with the Murray-Darling Basin Authority and the Commonwealth Environmental Water Holder to achieve better environmental outcomes that align with their cultural heritage.

And in many in cases it is the farmers and irrigators themselves who are undertaking revegetation works on their farms as part of the on-farm modernisation project.

In most part, what we see are community-based organisations who have come together to deliver local outcomes for the environment, who have pride in their native flora and fauna.

However, we must remember that these communities have emerged over the past 100 years on the back of a strong agricultural sector; they understand the need for a change in agricultural water management, but ask that we support them in this transition to improved overall management of our basin resources.

I have visited dairy farmers in Shepparton and rice farmers in Deniliquin and Leeton. I have seen cotton growers in Dirranbandi, Goondiwindi and Griffith, citrus growers in Renmark and grape growers in Mildura, all the way down to the Lower Lakes, where I met a local fisherman. In all of these places there is a common message—they want certainty for their community and their environment.

What I have seen in the places I have visited in the basin is how our investment in water infrastructure projects is having positive long-term outcomes for rural communities and their businesses.

Through improved irrigation delivery infrastructure, we are seeing more opportunities for basin farmers to get water to their farms with fewer losses along the way. Once water gets to the farm gate, the benefits of Commonwealth investment in on-farm efficiency programs have changed the nature of irrigation farming substantially, to a precise and highly technical business.

Farmers are not using the same practices they employed in the 1950s. The technological advances and improvements that are now commonplace are innovative and outstanding, and a credit to the adaptability and ingenuity of the Australian farmer. Increased efficiency for water delivery and a strong understanding of the best way to apply water to a crop at the optimal time is reducing the water required per hectare, while continuing to increase productivity. As a nation we should be proud of our achievements.

During my discussions with local farmers in southern New South Wales, I saw how investment in laser levelling of land has increased crop yield and resulted in the more efficient use of water. Farmers are able to control their watering systems by remote control, rather than getting up throughout the night to turn the water on and off. This is a huge benefit for families and for overall community health. It is the perfect example of a triple-bottom-line outcome.

In line with community support for infrastructure programs we know that completed projects have demonstrated improved productivity benefits such as increased crop rotation and diversification, water use efficiencies, reduced maintenance and improved soil and weed control management. Some projects have achieved greater than anticipated water savings, with these benefits retained by irrigators to improve their farm productivity even further.

Not only is farm productivity and wellbeing improved from these projects, but with the increased efficiency, water savings are able to be recovered for the environment to deliver water to wetlands and environmental assets throughout the basin.

We are also focusing our infrastructure investment to our environmental assets and applying the principles of efficient water use to maximise environmental outcomes, and our environmental water managers are achieving real benefits for environmental health.

Additionally, the broader community is also benefitting from these projects, as much of the construction work is involving local contractors and regional business, spreading the benefits of the investment throughout the basin.

The bill also has provisions for expanding the range of efficiency programs available under the Water for the Environment Special Account, which provides for an additional 450 gigalitres of water for the environment, to include investment in upgrading irrigation delivery networks and other off-farm infrastructure, enabling the Commonwealth to deliver future, strategic investment in the basin and additional environmental water and improved environmental outcomes.

The certainty this 1,500-gigalitre cap will provide will work in harmony with our investments in infrastructure. We have already seen very good results from both off-farm and on-farm infrastructure projects.

More than 10,000 individual irrigators across the basin are benefiting from infrastructure renewal and upgrades and the returns have already exceeded the expected savings of 600 gigalitres towards the task of bridging the gap.

Since its release in June last year, this government's Water Recovery Strategy for the Murray-Darling Basin has provided a framework for water recovery to bridge the gap to the Sustainable Diversion Limits set out in the Basin Plan. It provides an overview of the Murray-Darling Basin reform process and the key steps to be undertaken to reach major milestones for Basin Plan implementation between 2014 and 2024.

It has been 2½ years since the Basin Plan became law and the Australian governments have secured over 1,961 gigalitres in long-term average annual yield of surface water in the basin.

This represents more than two-thirds of the 2,750 gigalitres of the surface water recovery target set out in the Basin Plan to bridge the gap to the sustainable diversion limits, or SDLs.

To bridge the remaining gap, however, will not be a simple task and we understand the challenges in recovering the remaining water. With our focus on infrastructure investment programs, water purchases will progress at a significantly slower pace than in the past, and the focus on strategic water purchase opportunities will help bridge the gap to surface water SDLs to 2019.

Through the water recovery strategy, we have outlined our focus on infrastructure and efficiency projects, but we also continue to pursue strategic and targeted purchase opportunities. We know that to achieve the full implementation of the Basin Plan a number of water recovery methods will be required.

I want to state on the record that this bill in no way diminishes the Abbott government's commitment to implementing the Basin Plan. I have heard some concerns that this cap will impede water recovery efforts and prevent the achievement of the maximum environmental outcomes.

Our commitment to the 1,500-gigalitre cap was first announced in 2012 when the Basin Plan was made, a commitment we made to the communities of the basin; our continued support of the 1,500-gigalitre cap was given effect in the Water Recovery Strategy for the Murray-Darling Basin, released in June 2014.

I was pleased to announce with my ministerial colleagues Ministers Hunt and Joyce on 16 March this year that we would move to legislate the cap and deliver the commitment we had made to achieve a triple-bottom-line outcome for the Basin Plan. The introduction of this bill is the culmination of this journey, which enshrines the 1,500-gigalitre limit on surface water purchases by the Commonwealth in legislation, through an amendment to the Water Act.

The state governments in the Murray-Darling Basin also play an important role in delivering the Basin Plan and we will continue to work with them to deliver water recovery projects, environmental works and measures and the outcomes of the sustainable diversion limit adjustment mechanism.

We have a good history of working together in the basin to deliver environmental water reforms; the Living Murray program is a substantial group of projects that are evidence of a shared commitment to delivering

environmental outcomes. We will continue to work with all parties to ensure that the triple bottom line continues to address all three aspects—social, economic and environmental.

The cap on water purchases complements the focus on water recovery for the environment through on-farm and off-farm infrastructure investment and efficiency projects. The coalition government is investing \$2.5 million per day through to 2019 into the future sustainability of irrigated agriculture, while delivering on the important outcomes for the environment and the Murray-Darling Basin communities, and we will continue to work with the states to achieve this.

Our commitment is to bridge the gap in a careful and measured way, ensuring practical steps are taken to deliver a sustainable outcome for the economy, for basin communities and for the environment. We believe that healthy rivers and healthy communities should be complementary, not contradictory.

I will now turn to the details of the bill.

Put simply, the bill will establish a new part in the Water Act to give effect to the 1,500 gigalitre limit on all surface water purchases within the Murray-Darling Basin that contribute to bridging the gap.

The intent is to capture water purchased directly by the Commonwealth, which occurs predominately through open tender purchase rounds, and not water recovered through irrigation infrastructure efficiency upgrades, water sales by states or those programs which are the result of irrigation network rationalisation and reconfiguration projects funded or partly funded, by the Commonwealth.

In addition, it does not include purchases made by the Commonwealth Environmental Water Holder, or those made using funds from the Water for the Environment Special Account, as these purchases are different from the intent of the water purchasing program.

This 1,500 gigalitre limit on water purchasing is aligned with the recovery of water to bridge the gap in line with the implementation of the Basin Plan and will remain in place until the Basin Plan is next reviewed.

This will provide confidence to the basin irrigation industry and communities that the cap will be in place for the term of the Basin Plan, delivering the certainty that is very much needed by the communities of the basin and also ensures that the benefits from ongoing investment in infrastructure based water recovery are continued and realised.

The department will ensure that all water recovery is very clearly, publicly and regularly reported, providing transparency on the purchases contributing to the 1,500 gigalitre limit.

The bill also amends the Murray-Darling Basin Plan 2012 (the Basin Plan) to provide increased flexibility and opportunities to deliver the recovery of 450 gigalitres of water through efficiency measures funded under the Water for the Environment Special Account.

Efficiency measures improve the environmental outcomes under the Basin Plan by enabling the recovery of additional water for the environment, in line with the requirement to achieve neutral or improved social and economic outcomes.

This amendment provides for the participation of consumptive water users in projects that recover water through works to improve water use efficiency off-farm. There is strong support within industry for further investment in such measures. This amendment also delivers on the government's commitment to deliver the Basin Plan to the full extent, with a predominate focus on infrastructure investment.

This legislation delivers a triple bottom line outcomes for basin communities. The Abbott government is listening to all stakeholders and there is now an opportunity for the opposition to work with us and support this bill to ensure our basin communities get the win-win outcomes to ensure environmental and community sustainability. We will continue to work with all states to deliver the outcomes of the Basin Plan to the fullest extent possible.

The Abbott government is strongly committed to the Basin Plan and the substantial water reform agenda and we will implement the plan in a manner that ensures we can have healthy communities and productive farms working alongside a healthy river system.

The bill delivers on our commitment to deliver a Basin Plan that addresses the social, economic and environmental needs of the basin.

I want to thank the opposition, in particular shadow minister for the environment Mark Butler, for the good faith in which they have entered into discussion on this bill.

This bill is being introduced today to provide certainty to our communities but, as a sign of this good faith, we will allow this bill to remain in this place to allow for further discussion and consultation with the opposition, with the states, with the stakeholders and, indeed, all members of this parliament.

I commend this bill to the House.

Debate adjourned.