



Fiona Simson
President

20 May 2014

Senator the Hon Simon Birmingham
Parliamentary Secretary to the Minister for the Environment
PO Box 6100
Senate
CANBERRA ACT 2600

Send via e-mail senator.birmingham@aph.gov.au

Dear Senator

Terms of reference for the review of the *Water Act 2007* (Cth)

I write to request support for a number of recommendations for the review of the *Water Act 2007* (the Act), announced on Monday 12th May 2014.

I wanted to get in early in the hope that we could establish a channel of communication and maintain an open and frequent dialogue between ourselves and your Department, our national representatives, the National Farmers Federation (NFF) on this issue, as well as the independent panel that you have appointed.

We note a number of terms to which the review panel is to refer in establishing the terms of reference for this review, listed in section 253 of the Act. We look forward to consultation on the assessment of the operation of the Act to date. However, I would like to raise with you a number of factors which we sincerely believe need to be considered during the review, which are not directly referred to in the Terms of Reference, but I believe ought to fit within the ambit of the review.

We seek your support for including within the ambit of the review:

- the commercial considerations for trading environmental water entitlements; and
- third party impacts from environmental flow targets.

We believe a number of considerations are at stake in dealing with environmental water targets, and that our members as water users, significant economic contributors to regional Australia, as well as community members, deserve a more sophisticated analysis of the figures of the Murray Darling Basin Plan (MDPB) in a wider societal context.

I am encouraged that you have included in the additional Terms of Reference released on Monday, the effectiveness of the Act in achieving its objects, as set out in section 3, and opportunities to reduce or simplify the regulatory and/or reporting burden while maintaining effective standards.

I believe that the above concerns in relation to the commercial considerations for trading environmental water entitlements as well as third party impacts from

environmental flow targets could be considered as a part of analysis of the objects of the Act. In particular, the objects of the Act itself requires consideration of the social, environmental and economic outcomes, such as section 3(c) which reads:

...to promote the use and management of the Basin water resources in a way that optimises economic, social and environmental outcomes¹.


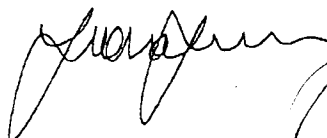
Furthermore, a large focus of the review as outlined in section 253 will be on whether the Murray Darling Basin Authority (MDBA) has fulfilled the obligations within the Plan, however we think it would be prudent to present a fully transparent cost-benefit analysis of the Authority's work to date in the hope that this could inform the future phase of the Authority's work, in the context of all inclusive triple-bottom-line considerations.

We would also like to see an assessment of the practical implementation and viability of the additional 450GL upwater, above the original 2750GL sustainable diversion limit. To examine matters such as the MDBA's fulfilment of obligations under the Basin Plan taken in isolation will increasingly look like a futile 'tick box' exercise. Agribusinesses in NSW will need a complete analysis of the operation and practical outcomes of the work of the MDBA.

On another note, our members are also extremely concerned that the Coalition's agreement to commit to a cap on buybacks at 1500GL has not yet enjoyed legislative force. To see this cap enshrined in the relevant agreement and in legislation such as the *Water Act 2007* would provide certainty and a smooth transition leading up to the implementation of the Plan.

Our Policy Director for Environment, Danica Leys (02) 9478 1078 leysd@nswfarmers.org.au will be more than happy to discuss these recommendations with you, the Minister and the Department of the Environment.

Yours sincerely



Fiona Simson
President

¹ *Water Act 2007* (Cth) s 3 (c).