



Inland Rivers Network News

Special Edition
Autumn 2004



WATER FIGHT!

Environment groups call for "efficiency dividend" in NSW

Peak environment groups said a ten per cent 'efficiency dividend' would help restore rivers and groundwater systems in the wake of the Carr Government's damaging attempts to weaken environmental protection for water resources.

The Inland Rivers Network, the Nature Conservation Council of NSW and the Australian Conservation Foundation have proposed a ten per cent reduction to all water allocations in stressed river catchments, phased in over each ten-year water plan, until the state's rivers are returned to health. The groups said the Carr Government's latest package of amendments to the *Water Management Act 2000* would deliver enormous benefits to irrigation

interests – including perpetual access licences and extensions of current plans – at the expense of environmental flow and river health.

Environmentalists emphasised that the efficiency dividend proposal was designed specifically to bring some balance to the Carr Government's one-sided package. NCC Executive Officer, Brooke Flanagan, said "The government's package simply cannot deliver a fair deal for stressed rivers like those in the Murray-Darling Basin. With all the benefits flowing to irrigators from new, perpetual water rights and liberalised water markets, we are calling for a fair deal – a quid pro quo for the environment."

ACF spokesperson Tim Fisher said, "Overall, current methods used in irrigated agriculture continue to waste a lot of water. We think that a one per cent annual improvement in

efficiency is a reasonable contribution from irrigators towards restoring rivers to health."

Read all about it!

In this special edition of IRN News we examine the government's proposal in detail, highlighting the problems and showing what's been left out.

If you would like to get involved or have ideas for our campaign, please contact us here at IRN. And if you'd like to support our campaign use the material in this newsletter to write a letter to your local member or the government. The government's proposal is on a fast track through Parliament, but there is still time to have an impact!

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IRN NEWS is available at our website www.irnsw.org.au

Water Management Act amendments: IRN's Position

The environment groups' joint proposal for a ten per cent reduction to allocations in stressed systems is the centrepiece of IRN's position on the NSW Government's *Water Management Act* amendments. For over a decade, IRN has consistently called on the NSW Government to draft its water management legislation to provide an effective basis for reducing extractions of overallocated water resources to sustainable levels. It is of the utmost importance that any amendments to the *Water Management Act* include a defined, concrete commitment to returning our rivers to health.

Though the details of water reform can be complex, its fundamental premises are simple. To have a sustainable basis for consumptive

water use, we must ensure river health; likewise, to ensure river health we need an improved allocation system. If reform is unbalanced – if we provide security for consumptive use without achieving river health – it cannot succeed.

The government's proposals completely fail this critical test. Irrigators receive the benefit of perpetual licences, but the Government makes no commitment to our stressed rivers. The proposals provide for extensions to woefully inadequate plans, but do nothing to improve them. The environment groups' proposal redresses this imbalance. A phased reduction in allocation provides security for the environment and a secure basis for planning for irrigators. In our view, it's a fair deal for NSW

rivers, with a reasonable contribution from irrigators.

This special report explains in detail IRN's position on four issues fundamental to reform. Two of those issues – perpetual licences and water sharing plan extensions – form the heart of the NSW Government's proposal, and as presently constituted, shore up the security of access entitlements at the expense of the environment. Establishing concrete timelines for returning rivers to health is the heart of the joint IRN-NCC-ACF proposal. The final issue, controlling unregulated water interception, is central to improving river health and is included in the National Water Initiative, but is wholly absent from the NSW Government's "reform" package.

The issue

PERPETUAL LICENCES

The proposal

The *Water Management Act 2000* will be amended to change the tenure of water access licences from 15 years to perpetual for most categories of licence.

Licences will entitle the licence holder to a *share* of the pool of water available for consumptive use, i.e. irrigation, domestic use, industry. Licences will not guarantee that licence holders will receive a specific quantity of water every year in perpetuity.

Under the current Act, water users can claim compensation for reductions to their allocations only if those reductions occur during the term of a water plan, are caused by changes to the water sharing rules, and only if the water plan does not provide for these changes. The latest proposal would extend the circumstances in which compensation can be claimed. If there is greater than a ten per cent reduction in water available to use over a ten-year period due to changes in water sharing rules, water users can claim compensation for the amount over ten per cent. Compensation is available whether or not those changes are due to changed government policy, such as new environmental objectives, or improved knowledge about the quantities needed to meet existing environmental objectives.

Why it's important

The tenure of licence and the risk assignment provisions determine when compensation must be paid to return overallocated systems to sustainable levels of extraction, and in conjunction with market forces, how much must be paid. The government can currently make adjustments to licences at the end of each water sharing plan without compensation. A requirement to provide compensation will act as a financial disincentive for environmental reform.

The IRN position

IRN has long opposed licences in perpetuity in principle and on pragmatic grounds. Rivers, wetlands, and other water bodies are public resources; they belong to the people (insofar as they belong to anyone) and decisions regarding their management must be made in the broader public interest. Perpetual rights to a share of that resource, in IRN's view, are inconsistent with the public nature of the resource.

IRN is also concerned at the potential for large compensation bills to block river rehabilitation. There is some merit in the government's proposal to treat changes in policy and changes due to improved knowledge similarly; one problem with alternative proposals is that the boundary between policy and improved knowledge is difficult to determine. However, the government should not be considering licences in perpetuity and caps on compensation without making a commitment to returning rivers to health as proposed by the environment groups.

The issue WATER SHARING PLAN EXTENSIONS

The proposal Water sharing plans have a term of ten years and determine the share of water allocated to consumptive uses and the environment. The government proposes to allow ten-year extensions of these plans without the concurrence of the Minister for the Environment and possibly without public consultation.

Why it's important Although the current plans are plainly inadequate to return rivers to health, it has always been understood that they were to be merely a first step, and that the system would have the flexibility to allow for comprehensive periodic review and genuine adaptive management. However, what few environmental safeguards do exist under current plans could be lost without public consultation and concurrence from the Minister for the Environment.

The IRN position Any process to extend water sharing plans must include these provisions at the very least: (1) plans should not be eligible for extension unless there is a recommendation by the Natural Resources Commission; (2) any extension proposal must be subject to a full public consultation; (3) plans should not be extended without concurrence from the Minister for the Environment.

The issue OVERALLOCATED SYSTEMS

The proposal The peak environment groups propose a ten per cent efficiency dividend – a ten per cent reduction to all water allocations in stressed river catchments phased in over each ten-year water plan, until the state's rivers are returned to health. The NSW Government's proposals do not address the issue of setting pathways to sustainability.

Why it's important Reducing extractions in overallocated systems is the central task of reform. Without specific commitments to doing so, in the form of timelines and targets, it is too easy for governments to pass on urgent reform obligations to the next election cycle.

The IRN position The NSW Government should adopt the environment groups' proposal. In catchments where a larger reduction is needed, the government should set timelines and establish plans for public investment to share the costs of change. The government should defer its proposals on perpetual licences and extensions of water sharing plans until it has prepared companion proposals for returning extractions to sustainable levels.

The issue UNCONTROLLED INTERCEPTION OF WATER

The proposal Under the *Water Management Act*, a landowner can harvest up to ten per cent of overland flow without a licence. This uncontrolled extraction can represent a serious threat to river health and water supply, and the NWI will propose a framework for controlling it. However, the details of the NWI plan are yet to be seen, while the NSW Government's proposal does not address uncontrolled interception activities at all.

Why it's important Uncontrolled and unlicensed harvesting is an administrative and environmental nightmare, and a serious obstacle to reform. Under the current system it is next to impossible to determine how much water is being taken, or its impact on the available supply and the environment. NSW cannot tolerate unmonitored and unregulated extractions if it is to have a sustainable water allocation system and healthy rivers.

The IRN position The NSW Government should develop a proposal for converting current unregulated overland harvesting to licences and reducing overland harvesting where necessary to achieve sustainable extraction levels. In addition, the government should commission an independent audit to determine the impact overland harvesting is having on the environment and on the supply of water available to licensed water users.

The Inland Rivers Network of NSW brings together community groups and individuals with the goal of restoring and conserving the biodiversity, natural function and health of the inland river systems and wetlands of NSW. Together with local, regional, state and national conservation groups, IRN seeks to promote greater understanding of the threats to inland rivers and the communities that rely upon their survival.

IRN steering committee member organisations:

- Australian Conservation Foundation
- Nature Conservation Council of NSW
- National Parks Association of NSW
- Coast and Wetlands Society
- Friends of the Earth



Help IRN protect our inland rivers and bring security and sustainability to regional communities. Send your donation to:

Water for Rivers Fund
Inland Rivers Network
Level 1, 29-35 Shepherd St
Chippendale NSW 2008

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IRN Conference Proceedings – Available Now

- **The Way Forward on Weirs**
 - **What's Going Down with Weirs**
- (Both available on CD-ROM)**

Approximately 20,000 man-made structures block the waterways of southeastern Australia. The ecological damage has been enormous.

Taken from the IRN-hosted conference of the same name, *The Way Forward on Weirs* addresses the effects of weirs on the environment, modifying weir operations to reduce environmental impacts and weir removal.

What's Going Down with Weirs, the proceedings of the most recent IRN workshop, picks up where *The Way Forward* left off, with updates on weir management from each state, presentations on fish passage, and joint recommendations on weir management from IRN and the Queensland Conservation Council.

- **Thermal Pollution of the Murray-Darling Waterways (Available as book. It is not available on CD-ROM.)**

The phenomenon of thermal pollution is not new. The lowering of water temperatures downstream from large dams has resulted in a significant decline in native fish populations. The flow-on of this cold water pollution into a wide range of social, environmental and economic impacts is now only beginning to be documented.

The Thermal Pollution Workshop, held at Lake Hume in June 2002, brought together a diversity of expertise from scientists to engineers, professionals in water resources, fisheries and conservation management – people with first hand experiences of the thermal pollution problem.

- **Order these proceedings by calling (02) 9212 5112 or visit www.irnsw.org.au.**