

Murray-Darling Basin

Debate resumed, on motion by Ms Rishworth:

That this House:

(1) notes that:

- (a) support for a solution to return the Murray-Darling river system to health is widespread across Australia;
- (b) a poll by the Australian Conservation Foundation found that 77 per cent of Australians agree that environmental degradation in the Murray-Darling Basin must be reversed;
- (c) the Government is working towards an effective strategy for the integrated and sustainable management of water resources in the Murray-Darling Basin; and
- (d) this strategy includes purchasing water for increased environmental flows, setting sustainable diversion limits on the quantity of water removed from the Basin, managing water quality and investing in water-saving infrastructure; and

(2) recognises that the Government:

- (a) has already began the task of returning the Murray-Darling river system to health through the *Water for the Future* plan;
- (b) is working towards ensuring the long term viability of this river system for all those who rely on its precious water resources; and
- (c) will continue to consult openly with all stakeholders in the Murray-Darling Basin.

Ms RISHWORTH (Kingston) (11.33 am)—I am very pleased to rise today to move this motion that is of great importance to our nation. The Murray-Darling system is the most significant river system in our country. Spanning over four states, it is a critical freshwater system sustaining not only local communities along the river system but indeed many of our major cities. The recent floods and rains across the eastern seaboard have also seen a large increase in inflows into the Murray-Darling system—water that the system desperately needed after a decade of drought. But the recent increases in inflows should not be an excuse to walk away from long-term reform in managing this critical national asset.

This Labor government takes reform of the Murray-Darling Basin seriously. Whilst it was the Howard government that introduced the Water Act, that government took no practical action to return any water to the system. It took this Labor government to start the heavy lifting on this important area of reform, negotiating with the states to get agreement on the management of the system by the Commonwealth, to establish the Murray-Darling Basin Authority, to buy back water and to invest in water-saving infrastructure.

As a representative from South Australia, the state at the end of the river system, I have seen the impact a combination of drought and overallocation has had down at the end. The state of our river system has not been a result of neglect over the last two years but neglect over decades. In South Australia we have seen not only the vast destruction of our native environment along the river but also the destruction of our communities that rely on this water supply. In the Lower Lakes community situated at the very end of the Murray-Darling system we have seen the water quality deteriorate so much that it can no longer be used for drinking water or for irrigation. Dairy operations in the Lower Lakes region have been decimated, reducing from 23 to three. Other industries have also suffered, including the Lakes and Coorong fishing industry, who have reported a sharp decline in fish stock. This is one point that the opposition fail to understand. They try to paint the issue facing the Murray-Darling system as a choice between the environment and rural communities. You hear over and over again from those opposite—and I am sure we will hear it in this debate—that it is environment versus communities. But this argument is a false dichotomy. Reforming the Murray-Darling system is not a choice between the interests of primary producers and the environment. Reforming the Murray-Darling system is in the interests of everyone that relies on this vital system. The choice really is between a healthy system that can service the community for the long term and an unhealthy river system that can no longer be relied on or used by local communities. The opposition uses this false dichotomy as an excuse to do nothing and oppose everything when it comes to reforming the system.

The health of the Murray-Darling system is of great importance to South Australians, so it is no wonder that during the election last year we saw the Leader of the Opposition fly in, trying to capitalise on this issue that is held dear by many South Australians. He said: Water is probably the most urgent environmental challenge facing our country. The Coalition will end Labor's procrastination and fully and finally implement the ... plan for the Murray Darling basin. I think at the same press conference he said he would implement the Basin Plan within two weeks after the election result. This same plan which he said he would implement he is now criticising and calling for it to be scrapped. Clearly the Leader of the Opposition has broken his promise to the people of Adelaide and the people of South Australia, paying lip-service with no real intention of doing anything.

The coalition's lack of concern for the Murray-Darling River has only further been confirmed by the coalition announcing two weeks ago that if they were in government they would scrap the water buyback to improve the overall health of the system. This is a slap in the face for every South Australian who believed the Leader of the Opposition was serious about the issue of water reform during the election, only to find out now that he is full of hot air. Unfortunately, it seems Senator Joyce now has the numbers in the Liberal-National caucus and not Senator Birmingham. In fact, Senator Joyce has won the day opposing reform.

But, in clear contrast to the opposition, this government is working in our national interest, working with the states to get outcomes that are in the long-term national interest. Since being elected, it has been this government that has committed \$12 billion to Water for the Future. Under this initiative, we have commenced water buybacks which enable the government to purchase water from willing irrigators and deliver it to the rivers, wetlands and flood plains of the basin.

At 31 January the Commonwealth had secured, through the exchange of contracts, entitlements with a longterm average annual yield of 690 gigalitres of water. This is a significant investment and a significant return of water to the basin. This government has also committed \$5.8 billion of funding for water infrastructure and efficiency measures under the Sustainable Rural Water Use and Infrastructure Program. About \$4.8 billion is currently committed. During the government's ongoing consultations, the government and particularly the Minister for Sustainability, Environment, Water, Population and Communities and the Minister for Regional Australia, Regional Development and Local Government have continued to listen to communities and take on suggestions. In addition, some very constructive suggestions have been made by the member for New England, in his capacity as the Chair of the Standing Committee on Regional Australia, currently inquiring into the impact of the Murray-Darling Basin Plan in regional Australia.

The Hon. Tony Burke, Minister for Sustainability, Environment, Water, Population and Communities, has announced that the government will move to change taxation regulations so that irrigators who take up water efficiency investment grants will no longer be disadvantaged. This will encourage more investment in water-saving infrastructure. Furthermore, water buybacks will now be more strategic, with smaller payments being made available more frequently to introduce greater certainty into the market. The minister has made it clear that, while individual tenders will be smaller, the total amount allocated for buybacks will not be reduced. This is an important point. This way the market will not be distorted. We will have a modest presence in the market each month to generate greater confidence that water purchasing will be gradual and staggered. Irrigators who miss out on a round of water buybacks can be certain that another round will still be available.

The government will continue to consult and speak with local communities, but it will not walk away from reform. The Murray-Darling Basin Authority will continue to work on the proposed plan for the Murray-Darling Basin to be presented to the states and Commonwealth for their consideration. The Standing Committee on Regional Australia, chaired by the member for New England, will continue to inquire and report on the impact of the Murray-Darling Basin in regional Australia. Reforming the basin will be no easy feat. Agreement about the Murray-Darling Basin has never been easy. The *Barrier Miner*, on 21 January 1911, reported on the Murray river waters conference: The Murray river waters conference sat yesterday and the matters at issue were discussed all day by the various state representatives. No understanding was reached. The New South Wales ministers stated that their state would not be limited in any way in the use of the Murrumbidgee water for the large irrigation schemes. So we can see that in 1911 this was an issue. It continues to be an issue today, but after 100 years it has taken the election of a Commonwealth Labor government to finally make reform so that for the first time we can manage the Murray-Darling river system and have a plan for its long-term sustainability into the future.

I call on the opposition, especially those members from South Australia, to stand up and act in the long-term interests of this important river system. We have heard the Leader of the Opposition come down and make some grand plans. We have heard members from South Australia say that they are committed to water reform. But we have seen absolutely no evidence on the ground that the coalition takes this seriously. So I invite the coalition members to get on board for reform, to come and join us and to work constructively with us so that in 100 years time those communities along the river system—the large cities, the towns—will all still have a water system that is not degraded and unable to be used by anyone. This is not just an issue for today or for tomorrow; this is an issue for farming families for this generation and for the next generation. We need the Murray-Darling system to be in a state that allows for mixed use of it into the future. So I call on the opposition to get on board, because the government is fully committed to reforming this system and ensuring that we get a long-term, viable outcome for our nation's interests.

Mr McCORMACK (Riverina) (11.44 am)—Everyone wants a healthy river system. We all want the health of the Murray-Darling Basin to be the best it can be. No-one wants this more than the regional communities who are totally reliant on the rivers in this wonderful area of Australia. No-one wants this more than the family farmers, many of whom are third- and fourth-generation irrigators whose ancestors were sent, coerced, encouraged—call it what you like—by the Commonwealth government of the day to turn dry, arid dust bowls into the lush, green food-producing areas that they are today. These rural oases came about only through hard, backbreaking work under a hot Australian sun. Living conditions were primitive but the early European settlers who went to forge a new existence in these windswept, largely waterless plains had a common desire: a desire to succeed, to make the best of the harsh conditions and times, to make a new life. Hope springs eternal. Through sheer determination and against all odds, they did succeed. Water was diverted to these once-dry districts in open channels and a remarkable transformation took place of ground described by explorer John Oxley in 1817 as ‘country which, for barrenness and desolation, can I think have no equal’. Making the landscape renovation from desert to paradise was all the more amazing considering these irrigation regions were largely established by migrants and soldier settlers. These irrigation communities have flourished over the decades and our nation and indeed the world have benefited as a result.

I note the member for Kingston citing statistics in her speech from the Australian Conservation Foundation. Here is an interesting fact, and I have a few more to share with you as well, just so you are really in the picture of the true worth and value of our irrigation areas, two of which, Coleambally and Murrumbidgee, are in my Riverina electorate. The Australian Farm Institute says every Griffith farmer feeds 150 Australians and 450 foreigners each year. No doubt even members of the ACF, who sometimes have a very different way of looking at the need for farming and just how we will grow produce into the future, have partaken of the fruits of the labour of those from the Coleambally and Murrumbidgee irrigation areas as many of us have done and hopefully will continue to do. What irrigation farmers after many months of angst and heartache need now most is certainty. The greatest threat hanging over their heads at present is uncertainty. As a member of the House of Representatives Standing Committee on Regional Australia, which is conducting an inquiry into the impact of the Murray-Darling Basin Plan in regional Australia, the central theme coming from the many communities we have visited is uncertainty—uncertainty brought about by this Labor government, which took to six months to get to a water policy, 18 months to set up the Murray-Darling Basin Authority and 36 months to determine there needed to be a proper analysis of the social and economic effects, the human cost, of any water reform.

‘Whisky is for drinking, water is for fighting over.’ American author Mark Twain summed up one of the biggest issues facing Australia. The Nationals are all on the same page when it comes to putting the family farmers who grow the food to feed the nation first and foremost when it comes to the water debate. Another quotable quote in relation to water came at one of the Murray-Darling Basin Authority community information sessions and was uttered by Benerembah farmer John Bonetti, who spoke for many, if not all, when he told the MDBA: ‘If you think this is the end you’re wrong. The fight has only just begun.’ You can understand Mr Bonetti’s passion. At present the Riverina growers produce 28 per cent of the national citrus crop, 98 per cent of Australia’s rice, hay and forage crops, cut flowers, turf, vegetables, livestock and livestock products.

The Murray-Darling Basin, specifically the Murrumbidgee River, is the lifeblood of the western half of the Murrumbidgee Irrigation Area. The MIA is the food bowl of the Australian economy, the largest food-producing region in Australia. To be saddled with suggestions of water entitlement cuts as much as 43 per cent included as part of the MDBA’s guide to a draft to a plan and then to be told, again by the authority or representatives thereof, just recently that in real terms the cuts are more in the order of 55 per cent, it is little wonder the good folk in that good part of the world are not feeling very good at the moment.

Cutbacks proposed will not decimate communities as everyone is saying; they will obliterate them. The Nationals, as I say, are all on the same page. Like all others in the MIA, Mr Bonetti is desperately worried about the future if cutbacks to water allocations in the order of up to 43 per cent proceed under the Basin Plan. He has been integral in the MIA’s strong, united voice against what federal Minister for Sustainability, Environment, Water, Population and Communities Tony Burke calls the guide to a draft to a plan. The guide is a Labor-Greens dagger to what the Mayor of Griffith, Councillor Mike Neville, often describes as the heart and lungs of the nation, the MIA, which contributes more than \$2½ billion annually to the Australian economy.

Labor has lost control of reform in the Murray-Darling Basin. The former chair of the Murray-Darling Basin Authority, Mike Taylor, had to resign because the minister was asking him to do things which were against the legal advice he had received on the Water Act. We now have a new chair, Mr Craig Knowles,

who is an ex-New South Wales Labor minister. Mr Knowles has appointed a separate delivery board and an advisory board, plunging the entire process into farce. Let us get the Basin Plan back on track. Labor has the Basin Plan process the wrong way around. When the coalition put up the 10-point Howard-Turnbull plan we prioritised investments in water efficiency so that we could return the water to the environment and to communities. Labor has spent only \$437 million of the \$5.8 billion allocated for infrastructure investments. They are already \$700 million ahead on buybacks but \$350 million behind on infrastructure investments compared to the original plan. In the midyear budget update the Labor Party decided to defer a further \$450 million in infrastructure investments.

The coalition have nothing to hide in regard to the Senate inquiry into the Water Act and if there are problems with the Water Act then we will stand and we will remedy them. The coalition succeeded in establishing this Senate inquiry into whether the Water Act can deliver an equally weighted consideration of the economic, social and environmental factors. Both the coalition and Labor have promised that they will deliver such a bottom line result. But Professor George Williams; Professor Judith Sloan; Professor John Briscoe; Josephine Kelly, who is a barrister; and the Productivity Commission have all argued that the act gives the environment 'primacy'.

What have Labor got to hide? Why won't they even support an investigation and why won't they release all the legal advice they have received on the act? A failure to deal with these ambiguities risks keeping the Basin Plan in court for the next decade. That is not a good outcome for the river or the communities who need the certainty to get on with their lives and businesses. The Water Act could not be the first act since Federation that may require amendment.

Let us get on with the job and get it right the first time. The coalition have announced \$600 million of deferrals in water buybacks to make way for spending on the recovery from flood and cyclone damage in Queensland and other parts of Australia. The water buyback scheme is already \$700 million ahead of the original plan set in 2008. Labor has bought \$1.4 billion in water buyback spending in the past two budgets. The recent floods give us some breathing space to actually develop an environmental water plan before we spend billions of dollars on water rights. Floods do not necessarily reduce the price of water licences, because the water does not increase the number of water licences. The price of water licences in the Murray-Darling Basin has been stable over the past year. We welcome the interim findings of the inquiry by the House of Representatives Standing Committee on Regional Australia into the impact of the Murray-Darling Basin Plan on regional Australia, particularly the call for a more strategic approach to buybacks. The coalition proposed a more strategic approach at the last election, calling for an assessment of the full cost of water buybacks, including the cost of stranded assets.

The coalition support improving the environmental health of the Murray-Darling Basin—as we all do. That is why we set up a \$10 billion National Plan for Water Security over four years ago. This motion notes that the government have already begun the task of returning the Murray-Darling River system to health. After four years, all Labor can claim is that they have begun the task. They took 18 months just to appoint the board of the MDBA. Now they are busily creating a second delivery board to sideline the first. Menindee Lakes was at the top of the list of actions Labor were going to take on the Murray-Darling Basin at the 2007 election. The coalition left Labor \$400 million for that specific purpose. Over three years later, no work has actually been done on Menindee. Even God could not wait for Labor—the lakes have filled back up again and now the Minister Burke admits that further delays have been caused by the fact that so much of it is now under water.

Labor claimed that they are working toward ensuring the health of the basin, but they are actually doing it at the pace of a snail. The coalition put aside almost \$6 billion to invest in improved water efficiency, which would deliver water for the environment and communities. The COAG Reform Council noted last year that 12 out of 17 of the projects had failed to make substantial progress. Labor have managed to spend only \$437 million of this fund, to deliver a paltry 2.7 gigalitres of savings—an unbelievable \$161,000 per megalitre. Labor are \$350 million behind on the original time line for the infrastructure program. Labor's changes to the buyback scheme that were announced recently are an admission that they have got it wrong. Labor accept that a more strategic approach to buybacks is now needed, in line with the coalition's election policy on the Murray-Darling.

Mr ZAPPIA (Makin) (11.54 am)—I welcome the opportunity to speak on this matter and I commend the member for Kingston for bringing this matter to the House for debate. Can I say from the outset that nothing could have highlighted the significance and the importance of the Murray-Darling Basin more than the decade-long drought, when you consider that the Murray-Darling Basin is home to some two million Australians, provides essential water needs for almost three million Australians, has some 30,000 wetlands within it, 16 of which are Ramsar listed, and has a world listed site in it as well. It provides, on figures

available, anything up to about 75 per cent of the irrigated land in Australia used for growing agricultural products and pastures. Depending on whose figures you want to listen to, figures on its worth to the Australian economy range up to about \$40 billion. All of that was essentially highlighted after a decade of drought because all of those matters came to a head as a result of the basin being impacted by the drought. I will just respond very briefly to the member for Riverina, because five minutes does not give me a lot of time to speak on the matters I want to address. Can I say: it is as a result of a decade of neglect from the previous government when the signs were clearly on the board that we are in the situation that we are in right now. If there is criticism to be made with respect to the Water Act 2007, let me remind the member for Riverina that it was a previous coalition government that brought that act into this place, and it was supported by the Labor opposition at the time. We are dealing with an act brought in not by this government but by the previous government.

Mr Deputy Speaker Sidebottom, I am a supplementary member of the House of Representatives Standing Committee on Regional Australia, of which you are the deputy chair. Can I say in that respect that I commend you on your commitment to getting the plan right. If it takes time to do so then so be it, but we need to get the plan right. I will come back to the issue of uncertainty in a moment as well. As a member of that committee I, along with the member for Riverina, have visited communities right throughout the basin. We still have some more places to go to, but at this stage we have visited communities in South Australia, in Victoria and in New South Wales. We have seen firsthand the devastation caused to those communities as a result of the shortage of water and we have seen firsthand the devastation caused to the environmental areas along the way as well. We know that we have to get the plan right.

With respect to the work of that committee, having listened to the people in those communities and having seen firsthand that devastation, I believe that there are a number of matters that the committee will be guided by. First and foremost, the communities within the basin all depend on the health of the Murray-Darling Basin river system for their survival, and every community has been affected by the drought. Secondly, those same communities depend on a relatively stable water supply for their survival. Thirdly, uncertainty about water availability and water allocations, as the member for Riverina has quite rightly said, is as destructive as the water shortage itself. Uncertainty creates stress and insecurity. Fourthly, communities within the basin understand the social and environmental importance of having a sustainable system. In fact, it has been my observation that the majority of farmers have a deep commitment to protecting our environment. Fifthly, Murray-Darling Basin farmers and Murray-Darling Basin communities have in recent years made massive investments in irrigation efficiencies, and I acknowledge that. Lastly, it is my observation that communities within the Murray-Darling Basin well understand the importance of developing a sustainable water plan for the basin and that, now that a process has begun, we must see it through and get it right.

I want to talk about getting it right, the uncertainty and why it is important that we continue with the process and not delay. It is clear to me that the opposition are now taking a strategy such that they would like to see the process delayed, because the Leader of the Opposition has indicated that they would defer the strategic water buybacks that we know are also essential as part of a plan of getting it right. It is essential that we get it right now because, if we do not, that uncertainty will continue. If we do not, we know that weather patterns will continue to be uncertain. And, if we do not, we know that it will not be long before we are back to where we started at the beginning of the inquiry—that is, going into another drought, possibly as bad as the last decade of drought.

We have to get it right, and to do so we cannot afford to waste time on it and defer the water buybacks or defer the work of the committee. I commend this motion and I believe it is important that the House continues with the inquiry that is currently underway.

Mr HUNT (Flinders) (11.59 am)—There is much agreement and there are areas of disagreement in relation to the future of the Murray-Darling Basin. The point of agreement, which provides some element for common ground in this motion, is that there was a \$10 billion plan built upon a series of principles. That plan firstly allocated almost \$6 billion towards a once in a century re-plumbing of the irrigation efficiencies, the lining of dams, the lining of channels, the movement from flood irrigation to either centre or inline pivot irrigation or even drip irrigation where appropriate. This once in a century re-plumbing of the basin has largely been stalled under the current government, mostly for ideological reasons. I know this because I have worked with the farmers of Coleambally and the Murray irrigation area up and down the river. They sought access to that funding for replumbing rural Australia to make real savings that could be shared between the farmers as a benefit for their investment and the river environment through an efficiency dividend for the public.

For example, the Murray irrigation area offered a saving of 300 billion litres, which would have been of great assistance—real, tangible and ongoing on an annual basis—to the people of South Australia. This would have been a saving of approximately \$3,000 per megalitre for permanent entitlements through upgrading their infrastructure and investing in on-farm and inter-farm savings. That was rejected out of hand by Senator Wong on the basis that she was not willing to have public money going to perceived private investment. In fact, the benefits would have been public. It was an ideological betrayal of the plan, with the net effect of preventing permanent water savings that could have benefited farmers, our food security and our food productivity. This water could have been of assistance to downstream communities for their environment or other things in South Australia. But it was forgone. It is time that the government returned to this notion of a once in a century re-plumbing of rural Australia. The bulk of the funding—the \$10 billion—was set aside.

The second great point in this debate is in relation to the buybacks. What we did was set aside almost \$6 billion for reinvestment in rural infrastructure and a once in a century re-plumbing of rural Australia, \$1.5 billion for buybacks and \$1.5 billion for structural adjustment. In addition, there was a billion dollars set aside for, among other things, upgrading the capacity of the Bureau of Meteorology in flood measurement. That amount has been distorted greatly, with all of the emphasis going onto buying out our food security and our farmers at a time of great vulnerability. What has seem is that the project has been inverted. In particular, the Basin Plan, the direction of which we supported, proposed and created, was distorted when the minister of the day gave riding instructions to the committee of that day and when the authority produced a report in line with the riding instructions from the current Prime Minister and the previous minister. When rural Australia revolted, the government dropped the authority like a hot spud. That is the reality of what happened. That is exactly what happened. We know because we have dealt with the people involved. We know that they were acting on riding instructions. We know that the promise that Julia Gillard made to the people of Adelaide through the front page of the *Adelaide Advertiser* at the start of August during the election campaign to adopt holus bolus everything that the authority recommended was nothing more than a deception.

Let me deal with the last point. The last point is that right now we are seeing a practical failure of policy. There is a flood pulse going past South Australian irrigators, who are on perhaps two-thirds of their allocation. I have discussed this with our agriculture spokesperson, with Senator Joyce and with Senator Birmingham. We hope that the South Australian members of this parliament, no matter their political persuasion, will agree that, where there is a flood pulse that will otherwise go out to sea and given that the Lower Lakes are full, that flood pulse should be harvestable by South Australian irrigators up to the full level of their entitlement. That is a statement that I am making before the parliament. That should be harvestable. It is something on which we seek bipartisan agreement.