

**Open remarks by the Hon. Pam Allan to LGSA Water Conference Panel Discussion on 11 September 2009**

To open my contribution to this Panel discussion on water management in the Murray Darling Basin, I wish to pose a number of issues as a challenge to the debate and discussion today.

1. *First, is there a need for a full Commonwealth assumption of power for matters relating to the Murray Darling Basin?*

The current Water Act as amended in 2008 is based on the agreement by COAG in March 2008 for the States to refer power to the Commonwealth, subject to the continuation of the State's role in setting annual water allocations and decisions on natural resource management across the Basin. Even with governments of the same political party holding office in all the Basin States and the Commonwealth, the States' comments on water allocation purchases by the Commonwealth do not give great confidence that the current co-operative arrangement can prevail in the future. In matters relating to the Murray Darling Basin, it is a well known truism that NSW hates Queensland, Victoria hates NSW and South Australia hates everyone. We still have a Ministerial Council with a key role in the process, with all the States there to pursue whatever agendas they desire. Are we likely to be stuck in the same political game playing which has characterised policy making for the Murray-Darling to date?

2. *Secondly, what has happened to the sense of urgency about saving the Murray Darling system?*

The original *Commonwealth Water Act 2007* was passed on 16 August 2007. The *Water Amendment Act 2008* was passed on 8 December 2008. Applications for the Authority members were sought in July 2008 and these members were appointed in May 2009. Minister Penny Wong has stated it is the Government's intention that the first Basin Plan will be finalised in early 2011. Well, that's about 4 years, the entire duration of the First World War. I accept there are difficult and complex decisions to be made, but it makes you wonder how long it would take us as a nation to do anything if we had a real crisis!

After all General Petraeus in 2007 completed his plan for a new strategy for the US for the war in Iraq in 5 months.

3. ***Third, have we got the right mix of skills and backgrounds for the Members of the Murray Darling Basin Authority?***

We have 3 bureaucrats, 2 academics and 1 consultant as members of the Authority's Board. Interestingly, the Board of the Authority has no apparent representation of Basin communities or indeed the farming, environmental or other NGO sectors. Yes, there is a Basin Community Committee but that is not the governing body of the Authority. The composition of the Authority does not appear to embrace the broader set of stakeholders. Yes, there will be community consultation and information, but what powers do the community have to actually participate in the making of decisions?

4. ***Fourth, have we really got an understanding that a key outcome of the Basin Plan needs to be not only a sustainable environment, but sustainable communities in the Basin?***

The Murray Darling Basin needs to be an area where people, communities, businesses and economic activity have a future in which they can prosper and lead fulfilling lives. The Concept Statement for the Basin Plan issued by the Authority in June 2009 talks about "*vibrant river communities*" and the need to "*consider the likely socioeconomic implications of any reductions in the long-term average sustainable diversion limits*" and the need for reports on socioeconomic implications of the Basin Plan. While these references have the veneer of taking on board the need for sustainable communities socially and economically, what they suggest is that the physical environment is the primary driver and that socioeconomic assessment is about identifying the social and economic impacts of policies crafted to protect the physical environment. This seems to be about damage control, not about building and enhancing sustainable communities. The Basin Plan needs to include a plan for the future of Basin communities, to ensure that the burdens of change are not borne disproportionately by Basin communities alone.

5. ***Fifth, the Concept Statement for the Basin Plan notes that the Basin Plan will set out the requirements that State water resource plans will need to comply in order to be accredited by the Commonwealth under the Water Act.*** It contains a chart showing the timing of when the Basin Plan will influence State water resources plans. The earliest in 2014 for the water resources plans in NSW, SA, Qld and ACT but not until 2019 for Victoria. This of course highlights the problems of the co-operative arrangement with the States and the leisurely pace for action.

6. *Sixth, how can we be sure that water purchases made by the Commonwealth prior to the Basin Plan and in the absence of a clearly identified strategy are producing the greatest benefit for the least cost and how can we be sure that funds used for such purchases would not be better spent in, say, an assistance program for water efficiency, with savings returned to the river system?*

Are we sure that water purchases are not about media headlines and political posturing. These are issues highlighted in recent purchases and the debate about Cubbie Station. We are talking about massive amounts of money - \$660 million has been spent from February 2008 to June 2009 on Commonwealth purchase of water licences, with the Commonwealth planning to spend \$3.1 billion over a decade buying up water licences.

In conclusion, it is important for the community in the Basin never to simply accept what is imposed on it and to make this clear to decision-makers. It is critical for the community to remember the proper role for experts, namely they should be on tap, not on top. The dangers with the process to date is that the experts may not understand their proper role. The persons who should be on top are the Basin communities.