



MEDIA BRIEF

30 July 2015

What a cap on buybacks would mean for environmental water recovery in the Murray-Darling

This background brief explains the major issues in the [submission](#) by the Australian Conservation Foundation (ACF), Environment Victoria (EV) and Environmental Justice Australia (EJA) to the Parliamentary Inquiry into the *Water Amendment Bill 2015*.

What is the Water Amendment Bill about?

The most significant objective of the Bill is to legislate a 1,500 gigalitre upper limit on Commonwealth environmental water purchases in the Murray-Darling Basin (MDB), despite repeated findings that purchase from willing sellers is the most cost-effective and efficient way to recover water for the environment.

What are the risks and implications?

A legislated limit on water purchase could severely compromise the government's ability to fully bridge the gap between current water extraction practises and the sustainable diversion limits (SDLs) set out in the Basin Plan, on time and within budget. Limiting water recovery to expensive infrastructure subsidisation could totally blow the budget. Regardless of cost, the government has not demonstrated that enough infrastructure projects exist that would be able to deliver the required water.

In addition, there is considerable confusion at a Commonwealth Government level about what would happen if it is unable to bridge the gap between current water extraction practises and the SDLs when they come into force in 2019. Would the reliability of all water entitlements need to be adjusted so that the SDLs can be met? Would the states be able to claim insufficient water recovery as a 'reasonable excuse' for not implementing the SDLs? Would more taxpayers' money be required to upgrade irrigation infrastructure in the Basin in addition to the \$2.5 million that is already being spent every day for the next four years? The [submission by ACF, EV and EJA](#) explores these issues and makes suggestions for amendments to the Bill that would mitigate its negative impacts.

Should the Bill be supported?

The Bill should not be supported in its current form. It should be amended so water recovery to meet the SDLs set in the Basin Plan takes priority over the setting of a volumetric cap on water purchase.

What does it mean for bipartisanship and the Basin Plan?

The decision to cap buy backs is a policy and political decision. It would not normally be a matter requiring legislation. However the federal Coalition has opted to legislate a cap on water purchase to 'create certainty' and appease rural opponents of buying back water who mistakenly blame the Basin Plan for the many challenges they face, such as increasing water prices. It's disappointing neither major party is debunking these myths or celebrating the enormous benefits the Basin Plan is bringing to the MDB. Instead they are supporting unnecessary parliamentary Inquiries, advancing costly and inefficient ways to recover water or at best acquiescing to attacks on the Basin Plan and letting a small but noisy group imperil all the social, economic, cultural and environmental values for which the MDB is recognised.

We hope the current Inquiry provides the opportunity to explore and develop solutions to the problems and issues associated with the proposed *Water Amendment Bill* so the Basin Plan can be implemented on time and in full as promised by both sides of politics.

Media contact: Josh Meadows, media adviser, 03 9345 1109 or 0439 342 992

[Submission by ACF, EV and EJA](#)