

## Water (Commonwealth Powers) Bill – 14 October 2008

**Mr PEDERICK (Hammond) (16:53):** I rise today to support my water security shadow minister, the member for MacKillop, in acknowledging that we do support this bill in so far as what is in it, but we do not support what is not in this bill. I believe we are a long way yet from proper reform in the Murray-Darling Basin. I certainly look at how the basin is managed, and it is nowhere near managed as a whole. It is managed only from Menindee Lakes south, and there are hundreds of kilometres of basin heading north into Queensland, up to Tambo and across to Toowoomba and in northern New South Wales that are not contained in the Murray-Darling Basin, as we see it now, under any sort of management.

I think in the future we will have to take into consideration management of the basin in the north. Whether it is man-made climate change, as people think it is, or whether it is just a cyclical drought system, we have had a lot of rain in the north. Queensland irrigators actually captured over 1,000 gigalitres of water in southern Queensland in their storages. They have enough storages in southern Queensland and New South Wales to capture 3,000 gigalitres of water, so why would you need 3,000 gigalitres of storage? It is ridiculous. I do acknowledge that we have had six years of drought, but we get no water from that northern system any more—and the way it is presently managed I doubt that we ever will.

Menindee Lakes are set to operate and trip over the trigger for shared basin control at 640 gigalitres. The two lakes we are using at the moment—Lake Pamamaroo and Lake Wetherell—have a maximum surcharge capacity of 615 gigalitres, so unless there is one gigantic storm we will not see any of that water shared between New South Wales, Victoria and South Australia. All that water will stay under New South Wales' control, and that is where the situation is heavily flawed.

Broken Hill has to store 285 gigalitres in two years in the Menindee Lakes to secure their water for those two years to get an entitlement of 20 gigalitres. There has to be reform there; there has to be a pipeline system (I believe they could have connected into the ana branch pipeline). There are people who point the finger at us here in this southern state regarding evaporation but you would think, from some of the comments made in the eastern states papers and the like, that water does not evaporate in the east.

Floodplain graziers in New South Wales acknowledge that they get only two-fifths of the water they used to get. This is not an argument about just Cubbie Station, even though it is a major irrigator. I think it has struggled, along with a whole host of irrigators up there. I heard there were at least 22 major irrigators between Bourke and St George who have put in major storages over the years—in fact, between 1995 and 2002, storages in that region tripled. So where is the legislative control? I even had a constituent of mine in Murray Bridge acknowledge that a friend of his on a property up there (they happen to be looking after it because the bank owns it at the moment, although these people are still running it) said, 15 years ago, that the river up there was in strife, that they were handing out water like lollies and that it was doomed. Sure enough, look where we now are as far as the tributaries, the Upper Darling and other rivers that run into the northern waters of the Darling are concerned. It does not add up.

Menindee Lakes need some major re-engineering so that we do not have hundreds of gigalitres of dead water and so that it can be made more user-friendly. I think some work could also be done on Lake Victoria which has, I think, some 80 gigalitres of dead water that you cannot get out at times.

It is interesting to note that before the Natural Resources Committee went up north I also went on a tour up there, and I did see large expanses of water. I was aware that we needed water down this end to save our Lower Lakes from collapse, and I know there are conflicting points of view regarding whether any of that water could be transferred to the southern areas and the Lower Murray. However, I will just say this: if we lose 80 per cent from the northern areas of the Darling we lose 696 gigalitres to convey our 201 gigalitres of critical human needs now (if we bring it from Dartmouth—from the southern section, anyway). So we do not need to crucify northern irrigation per se, but it needs to be controlled. The water has been allocated at a ridiculous amount, and you cannot blame people for taking advantage of water that has been made available to them. If there is to be true national reform, we have to

bring in the whole basin, and I think the northern basin will be pivotal in any recovery down at the bottom end.

I noted with interested the announcements made the other day. On 20 September, the federal government's exit plan was announced. If there is some money around and people want to exit the industry, well and good, but I do not believe there are any criteria available for that yet. However, I do note that, three weeks after a state announcement a few days later, some paper work and criteria are finally available for irrigators who want to stay in the industry and get water underwritten by the state government. However, it has really upset Riverland growers, who have been waiting for the criteria. Drought officers have been inundated with hundreds of calls from people trying to get in touch with people who supposedly know what is going on, and they have not had any information until this week. So, that has added to the distress of growers.

I note the unfairness of the underwriting package and that it does not suit horticulturists or vegetable growers. What is the difference, apart from the fact that they do not have permanent plantings? I acknowledge that permanent plantings do need a serious amount of water.

I want to reflect on water allocations at the moment. South Australia is currently on 11 per cent of high security water around a 600 gigalitre irrigation licence; New South Wales high security is on 80 per cent, a total of 198 gigalitres; New South Wales Murrumbidgee high security is on 95 per cent, at 283 gigalitres; and they also have 102 gigalitres of general security water, at 5 per cent; and New South Wales Lower Darling high security is on 100 per cent, which relates to 12 gigalitres of water. General security has been handed out at 20 per cent for 6 gigalitres, and the temporary trade rules have been relaxed. Victoria Murray high reliability water shares are on 13 per cent at 151.4 gigalitres; and Victorian Goulburn high reliability water shares are on 9 per cent, a 89.5 gigalitre share.

What I am saying is that, if we were heading anywhere near a national plan, we would have some alignment of allocations across the basin, but the problem is that tributaries are not taken into account. Some are taken into account in the new tier 2 process but, in the first instance, there are no end of tributary flows. The Darling, the Goulburn and the Murrumbidgee are taken out of the system, so you have to wonder what is going on. If we cannot get water, there should at least be some way of formalising allocations so that we can get Riverlanders and people further south in my electorate on at least 30 per cent water. That would mean that even our horticulture people could make some real decisions about whether they are going to make any money, and it would keep our permanent plantings alive. However, it is just not happening.

It was not until we had a poll on 20 September that we saw any action by the government on this matter. For over 20 months, this side of the house has called for urgent water measures for people living along the river, but, no, Mike Rann would not act. We have called for a desalination plant to be built in Adelaide to ease our reliance on the river but, no; again Mike Rann did not act. He was concerned that it would rain.

Another issue that really concerns me is that Mike Rann, the Premier of this state, has no interest in the seats of Chaffey or Hammond. I think he has a marginal interest in the seat of Finniss. I do not think he has any interest in the seats of MacKillop or Schubert, because there are no votes there. As I said, he might get a couple in Finniss, but I think our man is home free, especially given the way that water is being managed in this state.

We have seen \$145,000 worth of TV ads trotted out on what we are doing. That is remarkable, isn't it? A centrepiece of last year's budget was the so-called enlargement of the Mount Bold reservoir, an \$850 million project. It has virtually disappeared off the radar in this year's budget, and I think that is a good thing, because the Mount Bold expansion would just take most of its water from the River Murray. Why would you even go ahead with it? I believe the government is looking at over 130 sites in the hills anyway to find storage capability.

As far as desalination is concerned, we have a desal plant that I believe will take the longest time in the world to build and the government should just get on with the job. We are talking about a government which, while spinning these stories on how much it has done for this state, has failed to secure water not only for irrigators and people who need stock and domestic water but also for the gardens of Adelaide. Previous Liberal governments have

worked on getting up to 20 per cent of the wastewater out to Virginia, and we as the opposition (at this stage) have put up policies for harvesting up to 89 gigalitres of stormwater to help ease Adelaide's reliance on the river.

In 2006, as the member for MacKillop mentioned earlier, when the Premier came back from his meeting in November with the Prime Minister and other premiers he said, 'We will build a weir at Wellington,' but little did he know then how much trouble that would cause him. A so-called \$20 million project, I believe, has blown out to at least \$200 million and beyond. I think if the government is ever crazy enough to go ahead with this, it has consigned our state to major desalination work not just for the Keith pipeline but also for water for Adelaide. That is where city people need to be concerned because, if the water for Adelaide is contaminated and needs major desalination for our main offtakes, you would have to wonder what is going on.

If we had any sense of national urgency in this plan, when at least John Howard's government brought a national plan together in 2007 and put up the Water Act, we would not have seen the state Labor government here led by Mike Rann let Bracks in the first instance and then Brumby get away with holding us to ransom, and his water minister—an alleged National Party member—is compliant. She is involved. In fact, I wonder whether the Premier is amused that his Labor minister is now sitting on the fence because she can count.

She is shoring up her spot if she has the seat sitting on the fence at the next election. The minister talks about spin. I think that she has spun around so much that she does not even know who she represents. She obviously has not represented her electorate, because the only way she got any action was when a bad poll came out for the Premier. That was the only time he took any notice. He could not care less about Chaffey; he only cares because it hit him in the polls, and finally the trouble down at the Lower Lakes hit him in the polls, because they take no notice. The minister sits over there but, as mentioned in the local papers, the National Party has put it out that it is there, not aligned with anyone. I wonder what the Premier thinks about that. His so-called Labor water security minister, which is an oxymoron anyway, has not brought any extra water to this state and neither will this bill because this minister is being compliant in letting Victoria sign up for its billion dollars—

*The Hon. K.A. Maywald interjecting:*

**Mr PEDERICK:** Yes; that is fine. We have a minister over there who wants to can the coalition government. She is riding the greasy fence so hard that she cannot even defend her so-called National colleagues because she does not know where she is. She was in Western Australia pleading with the Nationals—

*Mr Goldsworthy interjecting:*

**The SPEAKER:** Order!

**Mr PEDERICK:** —to go with Labor but she could not get them over the line because she knew she would be absolutely crucified at the polls. At the end of the day, I stand here to represent the people of Hammond and the people up and down the river, and we want to talk about politics. This minister is being compliant by putting out two papers. She is part of the federal announcement for the exit package and the state package and, between her and the agriculture minister, no criteria were available for people until this week.

**The Hon. R.J. McEwen:** Why didn't you come and ask?

**Mr PEDERICK:** We did ask. I have asked your office and I can track down the emails. People want to talk about politics—that was all about politics and nothing about getting water for this state. Private irrigators at Langhorne Creek have gone ahead and put their own pipeline in so that they can survive. Under pressure, a pipeline is going into Meningie and the surrounding area.

I must admit that Chris Marles from SA Water is doing a pretty reasonable job down there working with people to get them hooked up. It disappoints me that these people have gone since November 2006 and they have no surety. One of the issues now is that, when the pipelines go down to Langhorne Creek and Currency Creek, there could be thousands of people who do not even have stock and domestic water. The minister admitted this in answer

to a question the other day. She puts her hands on her hips because that is how much she cares. I commend the bill but, as I have said, there is so much spin—

**Mr Williams:** Too little too late.

**Mr PEDERICK:** Yes, too little too late. The so-called Minister for Water Security is part of a government that spends \$19 million a year to employ 157 spin doctors. She was elected in 1997 on straight-line racing, but she never got that through. She has not got a drop of water for this state and it is an absolute disgrace.

**15 October 2008**

**Mr PEDERICK:** I refer to the tabled text, page 125, clause 95—New South Wales' Entitlement to Water from Menindee Lakes. The structure is obviously similar to what we have now, where New South Wales does not share storage water from Menindee Lakes until it reaches 640 gigalitres. Currently, the way those lakes are operated, that is not possible. What plans are you aware of or what works have you pushed for so that the Menindee Lakes system can be operable to benefit South Australia? As it is currently set up with the lakes there operating and with the ones left empty, we will never reach the 640 gigalitres to share that water.

**The Hon. K.A. MAYWALD:** The New South Wales' entitlement to water from Menindee Lakes has been carried forward from the previous Murray-Darling agreement, I understand. From the South Australian government's perspective, we have been strongly supportive of the New South Wales position to reconfigure and re-address the Menindee Lakes issue. We also look forward to the basin-wide plan looking at the sustainable yields from above and below Menindee Lakes. But the existing provisions for the management of that infrastructure are carried forward from the previous act.

**Mr PEDERICK:** I refer to page 137, division 3, the tier 3 distribution of waters in extreme or unprecedented circumstances. Will the minister explain to the committee in exactly which situations these are brought in? Obviously, it talks about unprecedented conditions and the high risk of not having water for critical human needs. What power will the authority have? How will it pan out? If we go into tier 3 management, will irrigation cease to exist for the period we are under tier 3 management?

Will the authority have the power to acquire private storages, or will there be commonwealth environmental water that can be accessed?

**The Hon. K.A. MAYWALD:** I thank the member for his very good question. What tier 3 refers to is an unprecedented situation that we have not seen. It refers to a situation where we do not have enough water to meet the conveyance and human critical needs. So, if we cannot have water for conveyance, for human critical needs, there obviously will not be water for irrigation. It is about the requirement for there to be political decisions in that circumstance.

**Mr PEDERICK:** If we are in that circumstances, minister, obviously the authority should have the power if it is that critical and absolutely dire. It seems bad enough now, but I guess we are essentially in tier 2 equivalent status at the minute. Does that mean that private storages could be compulsorily acquired?

**The Hon. K.A. MAYWALD:** It would depend on the circumstances. If we get to that stage, I would suggest that there would be very little water left in private storages. The tier 3 is unprecedented—even worse than we have experienced over the course of this drought. I believe that it will be important, for social and economic reasons, to have a political solution to that.

However, the basin-wide plan and the authority will determine the triggers for what will throw us into those different tiers. So, those trigger points will be identified very clearly in the basin-wide plan. So, no state will be able to just invoke a trigger that may give them some sort of advantage. It will be a requirement for the authority, in the development of the basin-wide plan, to clearly identify those triggers.

**Mr PEDERICK:** I have one more general question. Currently, allocations throughout the basin are at different levels, ranging from, say, 9 per cent through to 95 per cent, and obviously different levels of water. I note that South Australia's high security water went up to 15 per cent today and it is 95 per cent on the Murrumbidgee. I would have thought that, under a grand agreement, where everyone is in cohesion, the lakes are in dire straits and our permanent plantings need probably 30 per cent to keep going, it would be good idea if there was more equity in allocations across the basin, and I am hopeful that perhaps that will happen under the new agreement, although I have my doubts. Can the minister give us any information about whether there will be more equity in allocations across the basin?

**The Hon. K.A. MAYWALD:** Again, the basin plan will drive a uniform approach to allocation and water management across the basin. State water resource plans will need to be consistent with the basin plan, which will set out the requirements with which a state plan must comply. The basin plan not only will determine sustainable limits but will also set water trading rules, environmental water requirements and identify the need for the management of interception activities, such as farmlands and plantation forestry. So, there will be much more consistency across state allocations as a consequence.