



**Steve Fielding** Family First Senator for Victoria

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**Senator Steve Fielding**  
**Leader of the FAMILY FIRST Party**  
**FAMILY FIRST Senator for Victoria**

**Water Bill 2007**

**Water (Consequential Amendments) Bill 2007**

**Second Reading Speech**

**17 August 2007**

Family First believes Australia needs a plan to help fix the nation's water problems and the key to that is fixing the Murray-Darling Basin. That plan needs to strike the right balance between the needs of all water users, including the main water users, who are the irrigators. Seventy per cent of water use is for irrigated agriculture, so there is a good argument that investment in infrastructure to help irrigators save water is one of the most important things we should do.

The Murray-Darling Basin is the home of Australia's largest river system and the 15th largest river system in the world. It provides Australia with 40 per cent of its food supply and is often referred to as 'Australia's food bowl'. In a time of climate change and on what we hope is the tail-end of one of our worst droughts on record, the need for us to ensure that the Murray-Darling continues to be the lifeblood of Australia's food bowl is all the more important.

We face a real problem within the Murray-Darling Basin. The amount of available water is falling and demand for water by irrigators, farmers, towns, industry and for environmental flows exceeds supply. Something needs to be done to address this problem. Currently the Murray-Darling Basin Commission sets a cap on the amount of water that can be taken out of the basin each year. These caps are not sustainable. They do not take into account all water sources, such as surface and groundwater, and there is no way for the commission to enforce these limits.

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It is clear the system is broken and it needs to be fixed. We need a holistic strategy that treats the entire basin as one water supply and not just the sum of many parts. We need a strategy that can put an end to the difficulties faced by states, catchment areas and other groups that depend on the Murray-Darling Basin for their livelihoods. We need a system that can enforce caps on the amount of water taken out of the basin each year, with penalties that ensure compliance.

Family First believes this bill addresses many areas of concern. The plan proposes a single authority and sets a sustainable and enforceable limit on the amount of water that can be taken out of the basin. The government would give the Bureau of Meteorology power to assess and set the water information standards. It would also appoint the Australian Competition and Consumer Commission, the ACCC, to take control of water market trading with the aim of ensuring a fair and equitable market administered by an independent body.

While all states acknowledge the need for the federal government to assume control of the Murray-Darling Basin, there is obvious disagreement from some of the states, notably my home state, Victoria.

Family First understands the Victorian government's position. There is some merit in the Victorian government's argument that it should not refer its powers to the Commonwealth. Simply, the state does not want to refer its powers to the Commonwealth because it has worked hard to establish a good irrigation plan. Over many years Victoria has built a reliable and highly structured water allocation system. It has kept its end of the bargain and has stayed within the set caps.

Victoria's farming industry is different from other Murray-Darling states. To have a successful dairy and horticulture industry, as Victoria has achieved, you need to secure water. Victorians cannot easily change to other crops to adjust to a water shortage. As a result, the Victorian government is concerned that the federal plan would replace its existing system with an inferior version that would not cater for these special needs in Victoria. Family First encourages both federal and Victorian governments to continue working towards reaching an agreement as soon as possible. Victorian farmers are concerned that because they have managed their water well they are at the greatest risk of losing from a national water deal.

It is important to have an overarching authority to look after water in the Murray-Darling, but changing the system is a risk to Victorian irrigators. They need to be convinced that change is worth while, and you cannot convince people of that unless you are willing to give them enough detail so they can see that for themselves. Why should the farmers and irrigators sign up to a deal where they

bear the risk and have no guarantee of benefits? Seven months after the federal government's announcement they still do not have that detail.

Family First is also concerned about the concept of water markets. What happens to farming families when they sell their water and their land is separated from water? Does the trading of water rights undermine the family farm? Does it mean that big business farms that can afford to buy water will survive while smaller family farms will not? Family First believes the Murray-Darling Basin plan sets out a direction for the future of our most important water asset. Without action, the Murray-Darling faces an uncertain future and therefore the irrigators and towns that draw their water from the system face a similar uncertain future. The government is likely to face significant hurdles in the adoption of this plan with the states, especially through challenges to the constitutional right of the Commonwealth to assume the control detailed in the bill.

While the bill is significant, the pending intergovernmental agreement will be almost as important, as it will address many of the details of the operation of the plan. It is disappointing that the IGA is not available so we can all scrutinise that detail. Family First has consulted widely on this legislation with irrigators, the Victorian Farmers Federation, the Victorian Premier, the minister and other groups. There is room within this plan for a positive outcome for all players, from the federal government through to the individual irrigators. Even though this plan is not the complete solution, it is a start. Family First will, therefore, support this legislation.