

Impediments to Sustainable Water Use

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The subject of my short address is "Impediments to sustainable water use".

Let me be very clear: the impediment to sustainable water use is not science (we know how to fix the river system), it is not institutional (we've even agreed to the model), it is not even financial (we have more than enough money committed that can fix the problem).

It is political.

The tragedy is that after more than a century, water reform it is still framed under the old rules of a choice between environmental and economic outcomes - and the consequence of this has been a catastrophe - for both the environment and the economy and consequently a human tragedy.

Now to me: some brief background. I've been involved in Murray Darling Basin issues since 1993, when I worked with some other dedicated people here in Adelaide to support Premier Dean Brown's 2001 Centenary of Federation initiative.

I've seen it from all sides: Dean Brown - State; Robert Hill - Federal; Repair Company - commercial; WWF - NGO; senior bureaucrat in NSW. The latter was a real eye opener for me. In 2002 I formed the Wentworth Group and went in and mounted a public fight for the Murray Darling Basin - and we are still doing so. And don't for a moment think that it does not take courage for these men and women to stand up publicly.

There has been progress. An important step was to implement the cap on further extractions in the mid 1990s.

In 2004 COAG agreed to the National Water Initiative - yes 'another plan', but this time, finally, a really good one - arguably the best water plan in the world.

In 2006 the then Prime Minister announced a \$10 Billion package to accelerate water reform and in 2007 the Australian Parliament passed the Commonwealth Water Act 2007.

The objects of this Act are to ... (i) to ensure the return to environmentally sustainable levels of extraction for water resources that are overallocated or overused; and (ii) to protect, restore and provide for the ecological values and ecosystem services of the Murray-Darling Basin (taking into account, in particular, the impact that the taking of water has on the watercourses, lakes, wetlands, ground water and water-dependent ecosystems that are part of the Basin water resources and on associated biodiversity) ...

And this year the Rudd government has started buying back the river. And at this moment, the states are referring powers to the Commonwealth to set future caps on extraction.

Nearly two decades of reform – a whole generation – and yes, there has been progress, but ... these reforms will not deliver the water savings that the science says is needed, nor will they deliver them quickly enough to avert an economic and environmental crisis. We exceeded maximum sustainable yields in the 1970s. We have been running down the system for over 30 years.

And so here we are, in 2008, a river that is below empty, an estuary that is dying and lakes that are close to turning acid. We are now talking about which wetlands we save and which we let go whilst we sit by and let rural communities along the river fall to pieces.

Because we think that taking water from people is bad, we have made the profound mistake of accepting incremental change when rapid, fundamental, large scale reform is required.

Over the past 2 weeks our political institutions have shown a remarkable ability to respond quickly and decisively to the global credit crisis. We need the same level of focus to be applied to the crisis in the Murray Darling.

If we continue with this creeping incrementalism we will surely destroy Australia's greatest river system and we will destroy the well being of the thousands of people who depend on a healthy river for their livelihoods – (with false hope).

Two weeks ago the Wentworth Group and others prepared a submission to the Senate Inquiry into the Coorong and Lower Lakes. Our submission addresses the long and short term management of the Coorong and Lower Lakes, an estuary of international significance. It also puts forward an economic pathway for quickly addressing the over-allocation of water in the Murray Darling Basin.

Why so much effort for this senate inquiry? Because the science was being lost in the politics. Someone had to put the science on the record.

Why the Coorong? Because the two are interrelated.

It is impossible to secure the long-term health of the Coorong and Lower Lakes unless we address the sustainability of the whole river system and that requires dealing with the over-allocation of water.

We put science on the record. The science was clear. Over the past few years, the science was being deliberately confused for political convenience.

In preparing this submission we commissioned an analysis of the existing scientific literature and most recent modelling to establish just how much water is needed to achieve the objectives of the COAG National Water Initiative and the Commonwealth's 2007 Water Act.

The magnitude of the structural adjustment required is beyond anything that has been contemplated before in the Australian community.

If we are to maintain healthy rivers and provide high quality water to produce food, our analysis suggests that we must return over 4,000 GL of water to the rivers as environmental flows. As a consequence, the consumptive use of water across the Murray Darling Basin is likely to be cut by between 42 and 53 percent.

This has profound implications for the future of water resource management and the towns and cities and rural communities that have relied on the rivers.

The great surprise of our analysis though, it that the science says that if we spend the money that has already been appropriated, wisely and quickly, there is a high probability we will restore the rivers and floodplains to sustainable levels and in doing so it will also put us in a far better position to confront the new challenges, such as climate change, that are rapidly bearing down on us.

The only way to achieve the volumes of water required to meet the needs of our rivers and underpin the long-term viability of our industries and communities who rely on a healthy working river is to accelerate the recovery of water for the environment by combining the existing \$3.1 billion water buyback and the \$5.8 billion infrastructure programs, subjecting all funding to a common environmental (cost benefit) analysis and bring forward this expenditure over the next 2 years.

From a river health perspective, accelerating these reforms will allow a speedy downsizing of the consumptive use of water, giving the rivers, floodplains, wetlands and the Coorong and Lower Lakes estuary the water they need.

From an economic perspective it will end the uncertainty in regional communities about when, where and how the government will intervene into the water market.

And from a social perspective, it will provide an important social dividend – by providing a financial opportunity for business to either upgrade and modernise their on-farm water use or should they choose to do so, exit the industry.

Our message is that circumstances now dictate that Australia has to make a choice: we can ignore the environmental and economic catastrophe across the Murray Darling Basin, or we can confront this issue head on and put in place measures to correct the damage.

An extraordinary political legacy IS possible.

The Rudd Government has an historic opportunity, brought to a head by the current drought, to break through on one of the most significant environmental policy reforms in the history of Federation – to do what everyone believes in their heart is impossible - and to do so in a way that provides a way out for communities in economic trouble.

The Commonwealth has 2 choices.

If the choice is business as usual, for fear of upsetting one State Premier, then the consequences will be catastrophic - environmentally, economically and politically.

We know that many irrigators and many towns are in significant financial difficulty and that the banks are not going to extend credit further over this coming summer.

We also know that the science is telling us that there is a better than even chance that this drought will continue into next year, deepening the economic crisis.

Crisis defines political leadership. It always has. They are usually defined by economic crisis or war. We have seen such leadership over the past few days in response to the global credit crisis. But unusually, our times are also marked by two environmental crises – climate change and water.

This is the moment in history where decisive action is needed on both.

As I said, the impediment to sustainable water use is not science, it is not institutional, it is not even financial. It is political.

Circumstances now dictate that Australia has to make a choice: we can ignore the environmental and economic catastrophe across the Murray Darling Basin, or we can confront this issue and put in place timely measures to correct the damage.

My great hope is that the Prime Minister will recognise this opportunity of a generation, to restore the health of the rivers on Australia's greatest river system. It will be an extraordinary legacy if he does.
