

Second Reading

The Hon. MICHAEL VEITCH (Parliamentary Secretary) [8.08 p.m.], on behalf of the Hon. Tony Kelly: I move:

That this bill be now read a second time.

This bill further prepares New South Wales to deal with a key policy issue of our times—water. In the context of climate change, population growth, droughts, floods and other challenges the need to conserve water, to secure water, and to manage water are now more important than ever. The Water Management Amendment Bill 2010 builds on the strong reform and management framework already in place in New South Wales. First, the bill reduces red tape for private water schemes. These schemes are statutory private schemes and include private water supply and drainage schemes, such as private irrigation districts, water trusts and drainage boards. The bill renames these bodies private water corporations and provides them with a single, consistent governance structure, replacing the current, unnecessarily prescriptive rules. The new governance structure mirrors the framework that applies to companies: each body will be able to set and amend its own rules for its members. The only restriction will be that these rules will need to comply with the regulations, which will act like the constitution of a company and will provide safeguards for members and customers of the schemes. The amendments will also allow these schemes to transform or disaggregate their group entitlements into individual entitlements which can be traded if the individual member so wishes. This will allow the schemes to comply with Commonwealth water market rules.

Second, the bill will facilitate investment by the Commonwealth and other government bodies in environmental water. New, fit-for-purpose accounting rules will ensure that environmental water obtained through government buybacks or efficiency schemes is properly recorded and does not adversely impact on existing users. These amendments make sure that such environmental water is not considered a growth in consumptive use, and so will not reduce water users' existing access to water. The bill also facilitates the investment by the Commonwealth and other government bodies in environmental water recovery programs. The amending provisions will enable a licence for environmental purposes to be granted to the Commonwealth environmental water holder, or a State when it is necessary to give effect to agreements. These provisions are intended to facilitate investment in infrastructure projects. Such projects generate water efficiencies in our rivers and groundwater sources, which ultimately result in substantial and lasting returns of water to the environment and secure real improvements in river health. But to secure investment in these projects we need to be able to create licences that embody these water savings. The licences will also offset the impacts of extraction reductions that will be implemented in the Commonwealth's proposed basin plan.

Third and last, the bill also refines the existing offence provisions of the Act. This includes closing loopholes in the current tier one offences which target the deliberate, negligent or

reckless theft of water, or meter tampering; clarifying the current position that mining companies must hold a water access licence for water taken both directly and incidentally as a result of mining operations; and improving the operation of the offence provision concerning faulty water meters, which allows greater flexibility for a water user with a faulty meter to take water if they reported that their meter is not working and kept appropriate records as set out in the regulations. This is about ensuring security of the system and protecting users as well. In conclusion, these reforms build on the strong foundation set by the New South Wales Government and will put us in good stead to address looming challenges. They reduce red tape and provide greater flexibility to an important class of people for whom the ability to trade water and make money from their water savings is an important boost to their livelihood. They enable greater investment in the environment without unfairly affecting other legitimate users of water. They strengthen our regulatory tools to ensure that the water market works to the benefit of all—farms and towns as well as the environment. I commend the bill to the House.