

**NATIONAL CONFERENCE OF PARLIAMENTARY
PUBLIC WORKS AND ENVIRONMENT COMMITTEES**

**"WATER—ENGINEERING SOLUTIONS AND
ENVIRONMENTAL CONSEQUENCES"**

TRANSCRIPT OF PROCEEDINGS

**House of Assembly Chamber,
Parliament House, Adelaide**

Tuesday 1 October 2002 at 9.05 a.m.

ADDRESS BY HON. JOHN HILL, MINISTER FOR ENVIRONMENT AND CONSERVATION

MR IVAN VENNING (South Australia): Good morning. As one of the very few who have attended all six of these national conferences, it is great to see a few old faces back and all these new faces, because that is the greatest change in the six years. I hope that you, like me, will see these conferences as great value, not only with respect to your personal skills but also in terms of those you elect. It is my pleasure this morning to introduce the Hon. John Hill. The minister has a law degree and, before becoming involved in the political area, I believe he was a school teacher. He was also elected to the position of State Secretary of the Australian Labor Party in South Australia.

He was elected to this parliament in 1997. He was obviously a shining light in the dark days when the Labor Party was not so strong in this state. However, since 1997, he has made his presence very much felt, first, as a shadow minister. Following this state's recent election in February he is now the Minister of Environment and Conservation. He is a respected minister; he works hard and he knows his stuff. As a member of the opposition, I must say that, certainly, he gives us a very good hearing. I look forward to his address this morning and I hope that you will, too. Ladies and gentlemen, please welcome the Hon. John Hill.

HON. JOHN HILL (South Australia): Good morning and thank you, Ivan, for those very kind words. Members, one and all and guests, it is my pleasure to be asked to speak to this important conference. I hope that all of you are having an enjoyable time in Adelaide. I am sure that, last night, you enjoyed some hospitality, and I imagine that you will get a little more tonight and that, by tomorrow, you will be pretty well worn out. I am glad that I am speaking to you on the second day of the conference rather than on the third day. I also want to extend a special welcome to our friends from New Zealand. It is great to have you here.

Of course, South Australia has a New Zealand Premier, as no doubt you know. He tells us about New Zealand and he keeps in contact quite regularly. It is great to have everyone here. Today, I will speak about my overall responsibilities. I will talk about how, in South Australia, we put together the environment portfolio. I will then talk a little about our great passion in South Australia—because we have you as an audience—and that is the Murray River and why we need to do some of the things we do. I will lead from that into a bit of a discussion about some of the infrastructure work that is happening to look after our water resources a little better.

I must leave here at about 9.30, so I will try to go through this relatively quickly. I must travel today with the Premier to Kangaroo Island to open a new facility in one of the national parks there. In terms of my portfolio, I am the Minister for Environment and Conservation and I am also the Minister for the River Murray. I have three departments or three instrumentalities for which I am responsible: the Environment Protection Authority; the Department for Environment and Heritage; and the Department of Water, Land and Biodiversity Conservation. I will briefly explain what we are doing in those areas.

Of course, every state has an EPA. We are trying to strengthen South Australia's EPA. We are making it an independent statutory body that is at arm's length from government. I guess that we are following the Victorian model. The second department is the Department of Water, Land and Biodiversity Conservation, which is a new department we have established. We have brought together water resource issues, land management issues and also some biodiversity issues into this one department to allow us to develop properly integrated natural resource management. We are in the process of restructuring the way we manage, deliver and plan these issues. I know that it is a little complex, but we are using the water catchment board boundaries.

We have said that there is one set of boundaries based on the water catchments. We will then work with the communities about how we get integration to happen at that local level. Currently, we have half a dozen bodies with different boundaries attempting to deliver and plan natural resource management issues. The community says, 'Why do we need different boundaries and structures? Let us get it all together.' That is what we are planning to do. The other great issue in that department, of course, is the Murray River, and I will get to that a little later. My third department is the Department for Environment and Heritage.

Principally, that department looks after national parks and many biodiversity issues. It is also responsible for coastal and marine issues. We have established within that department, too, an Office for Sustainability to give advice to government generally about sustainability issues not just within that department or my portfolio but across government and, hopefully, across the whole community. That is the kind of structure I have. In addition, I am the Minister for the River Murray. I have no department in association with that portfolio, but this is, I guess, a new concept because the Murray River is of such vital importance to the survival of our state.

The Premier decided that there should be a separate minister for the Murray River. We are introducing a bill called the River Murray Bill, which will give me, as minister, authority over pretty well all activities that might have an impact on the Murray River. Delegated to me will be planning authorities and authorities under about 18 different Acts of Parliament—a kind of mini tsardom will be established. Hopefully, I will never have to exercise that power because the existing departments will still have responsibility to go through

the work that they do: I will just have the right, under certain circumstances, to be consulted and to veto and to direct.

I think that having that authority will mean that all of the other departments will be aware that I can exercise that power and that they will go about doing their job without wanting to have it implemented because they will feel bad if that happens. A reserve power, if you like, will be given to me. Having given that background, I will now deliver my speech, which addresses some of the issues, particularly as they relate to the Murray River.

I guess it is clear to all of us, especially the states which are part of the Murray Darling Basin Commission area—that is, Queensland, New South Wales, Victoria and South Australia—that the River Murray really has reached a parlous state, so much so that the mouth of the River Murray here at Goolwa is just about to close up. There is something like 2 million cubic metres of sand which does not belong there, and that is sand that has accumulated over a good period of time.

Because of the huge extractions that happen across the river system, the Murray-Darling system, something like 73 per cent of the water is extracted for irrigation and other purposes, so we only get 25-27 per cent of the natural flow going through the mouth. Normally that is enough to just keep the mouth open, but when we have a series of drought years, as we have had, the system closes up. This causes, of course, huge environmental problems, particularly to the Coorong, which is adjacent to the mouth of the river. I will not go through the technical details of it, but it means that the water gets hotter, the salinity levels change and the intertidal variation which creates habitat for the wading birds which come in summer of course does not occur. The fish will cook. So there is a breakdown in the ecology. So it is of particular importance to us.

The Murray Darling Basin Commission fortunately has agreed to a dredging operation, and we are about to start that in the next week or so. That will keep the mouth of the river open, we hope, because this is an untried technology for us, but we hope that that will keep it open sufficiently so that the local environment will not disappear. But this is a short-term measure. What we believe is required is additional water flow for the river.

The parliament established a select committee in the last parliament, which Mark Brindal, one of our colleagues, when he was minister for water resources, was on, as was I. This was a select committee to look at the River Murray and we produced a 90 something recommendation report, unanimously. So there were three parties—the National Party, the Labor Party and the Liberal Party—and an Independent, Peter Lewis, the Independent Speaker that were on it.

We put up a unanimous position in relation to the River Murray, and one of the recommendations was for us to find somewhere between 2 000 and 3 000 extra gigalitres of water for environment purposes for the river. That is a big ask. Fortunately the Murray Darling Basin Commission and the Murray Darling Basin Council have now agreed that there ought to be more water for environmental purposes, and there is a large consultation process in place to look at various levels, 350, 750 and 1 500 gigalitres of water.

But I just plead to all of you from the eastern states, if you have any say in this we would very much appreciate your support in relation to this issue. To keep this system alive and to keep it sustainable we do need to put more water back in. It does not have to be done in the next 12 months; it is something that can take 10 or 20 years, but we need to start putting the water back in.

I have to say to you, and as I have said at other conferences, the South Australian Parliament is unanimous on this position. If you talk to any one politician from South Australia on this issue you speak to all of us. We are united on this and it is important for us to be so.

I just move on from the River Murray, having got my plug across. We know from studies that have been done by CSIRO and others that sufficient water falls on the city of Adelaide to make us completely independent of the river. In dry years 90 per cent of our water comes from the River Murray. In a good year it is 40 per cent. So we are very, very dependent on the River Murray. Reports in salinity over recent years have shown that the salinity level over the next 20 to 50 years will rise significantly and make our water undrinkable, unless action is taken, and some of the action to be taken is happening now. But we are threatened. So one of the options for us is to make ourselves independent of the River Murray.

We have embarked on a research program, an active program to look at making Adelaide waterproof. That is the term we have used. The former government started it, we have continued it. It is a scheme to make Adelaide independent of traditional water supply systems. We have enough water falling on Adelaide now to give us all the water we need. It is patently ridiculous that we pump water out of the Murray River, at great expense, put chemicals into it, clean it up, send it into our reticulation system, use it once, often in a toilet or a washing machine or something like that, where that level of high quality is not required, send it down through the system out to the sewerage works where it is retreated and more chemicals are put into it and then we pump it out into the sea where it causes more damage to the marine environment. It is just a stupid system.

We have the capacity, we think, to re-engineer Adelaide, so that we can capture a sufficient amount of the water that falls on Adelaide to supply all of our needs and, in addition, use that water more than once. I know that is something that my colleague the shadow minister is a great advocate for. So that is the kind of theoretical position we are in. What are we doing

practically? We are working to develop stormwater reuse projects that provide multiple benefits such as flood protection, stormwater quality improvement, groundwater resource protection, ecotourism and the creation of habitat and recreational amenity.

Such projects have a high rate of success in getting community approval and ongoing support. Wetlands, of course, are excellent mechanisms for removing pollutants from water by a complex range of physical, chemical and biological processes. Outflows from wetlands are usually of high quality, enabling reuse for irrigation and commercial and industrial processing uses. Any remaining water that flows from wetlands into the sea is sufficiently filtered and cleansed to minimise any potential degradation to the marine environment.

This process, as you know, is known as aquifer storage and recovery. The City of Salisbury, which I gather you are visiting today, which is 12k north of Adelaide, is an international leader in the use of wetlands and ASR technology, and I really do congratulate Colin Pitman from the Salisbury Council, who is in the audience today, and really do congratulate Salisbury, because they have really taken on environmental management as a key priority.

Stormwater, which was traditionally regarded as a problem and in some cases a threat is now harnessed and utilised by the City of Salisbury in a series of wetlands that enhance the landscape and create habitat biodiversity. Today you will visit the first wetland development by the city which commenced in the late 1960s. So they have been visionary for a long time. It was placed on under-utilised land in Para Hills. It is known as The Paddocks, and the area now is a wonderful recreational asset and attracts birdlife and a number of other fauna. The site also contains the first ASR well, which was installed in 1995, which proved that the aquifer can be readily used to store large volumes of water for subsequent reuse.

The City of Salisbury has a vision to eliminate the flow of polluted water into the marine environment of the Barker Inlet, which is a delicate marine environment of mangroves and seagrass meadows that is a nursery for much of the state's fishing industry. The creation of wetlands to cleanse stormwater is Salisbury's strategy to help the ecological rehabilitation of the Barker Inlet, while also providing cheaper water to local industry and other users.

The Parafield Partnerships Urban Stormwater Initiative, that you will also visit today, is a landmark project to manage stormwater in the area to the north and east of Parafield Airport. This is the last remaining catchment in the City of Salisbury without treatment to filter and cleanse stormwater prior to discharge in the marine environment. The project will improve the environment, make use of local water resources and foster the growth of new and established industries, especially those with high water quality requirements. Prospective employment opportunities in the region will be subsequently increased. So I think this is a

council that really is looking at economic and environmental management systems going together.

A further large reuse scheme is being developed by Salisbury to supply treated stormwater to the General Motors-Holden car plant, in the northern suburbs of Adelaide, and other local users. Mawson Lakes, which I think you are also going to see today, is a planned community that is providing a wide diversity of housing choice as well as significant commercial and educational facilities. The community minimises the impact of development on the natural environment while maximising its long-term sustainability.

The water management strategy for the community includes the capture and treatment of stormwater through wetland systems and the injection and recovery of that water for reticulation around the site for non-potable reuse. Recycled water is used on parklands, reserves, private residential gardens, in house toilet flushing and top up of the wetlands and lake, thereby reducing dependency on mains water supply and outputs into the marine environment. I think the system is very interesting to look at. The downside, I have to say, is the architecture on the site, which is all replica Tuscan housing, without verandahs and all of the kind of stuff that would make sensible, energy efficient housing. The infrastructure provided by society is ecologically sensible but the individual choices about houses are in some cases not so smart.

My Department of Water, Land and Biodiversity Conservation has been working in partnership with the City of Salisbury and other partners to develop aquifer storage and recovery technologies such as those you are visiting today. As a result of these partnerships South Australia has become a world leader in the application of aquifer storage and recovery. The department is currently completing a trial of aquifer storage and recovery of recycled water at Bolivar in partnership with SA Water, United Water, CSIRO and the Department of Administrative and Information Services. The results to date are very promising and indicate that this approach could potentially eliminate the discharge of treated water from Bolivar to the marine environment. In my electorate in the southern suburbs a sewage treatment plant at Christies Beach is now sending 20 per cent of its treated effluent by pipeline to McLaren Vale because the water resource in McLaren Vale was absolutely limited. In fact, the allocations to growers had to be reduced. As a result of the use of that water there has been an expansion by 20 per cent of the number of vines under cultivation in that area. Given the quality of McLaren Vale vines, that is a very good development.

There is capacity to double the size of McLaren Vale plantings by harnessing all of the treated effluent from Christies Beach, and work is going on to find ways of storing it via aquifer at the moment. So, eventually, all of the treated effluent from Christies will go via pipeline to McLaren Vale and double the size of McLaren Vale plantings. This is a fantastic

example of the triple bottom line in action: no effluent going out to sea; all of that being reused; economic benefits; and, of course, social benefits through employment opportunities.

It is heartening to see the knowledge, experience and dedication to issues of ecological sustainability represented amongst the delegates here today. I believe that your commitment will make a difference for us all as we move into the future. I would like to thank you all for attending this conference. Thank you, Ivan and Paul and others, for inviting me to address you. I hope you have a great time in Adelaide today. It is almost perfect spring weather, so it is a good day to be out and about. I hope it is of great benefit to you all and that you will come back some time. Thank you very much.

MR IVAN VENNING (South Australia): Thank you, minister, for giving us your time this morning. We know that you are on a very tight schedule. There is time for one question.

MS VICKI DUNNE (Australian Capital Territory): When it comes to 'The Living Murray' document, I presume that you are going for the 1 500 gegalitre option and that this is the unanimous view of South Australia.

HON. JOHN HILL (South Australia): Yes, absolutely. I should explain. This document followed consultation with the communities across the catchment. Three figures have been identified: 350, 750 and 1 500 gegalitres. It is the view of South Australia that it should be close to 3 000, so we see 1 500 as a pretty good first step. It will make a significant difference if we can liberate that amount of water for environmental flow purposes, but of course we have to convince the other communities of that.

MR IVAN VENNING (South Australia): Please join me in thanking the minister, the Hon. John Hill.

[Plenary session adjourned at 9.30 a.m.]

WATER: THE GAP BETWEEN POLICY PERCEPTION AND REALITY

MR IVAN VENNING (South Australia): Ladies and gentlemen, good afternoon. Welcome to this afternoon's session of this national conference. I know you had a very enjoyable and educational morning. It is now my pleasing duty to welcome Mr Tim Fisher.

Tim Fisher has worked with the Australian Conservation Foundation since 1990 in a number of campaigning roles, with a major emphasis on rivers and water resources. Past and present water campaigns include the Murray-Darling environmental flows, the proposed Fitzroy Dam in the Kimberley, Snowy environmental flows, and the non-compliance of Queensland water reforms with the national competition policy.

Tim also sits on the Victorian Committee—we will not hold that against him—currently considering Melbourne's future water needs. More broadly, Tim's campaigning has included the collaborative Repairing the Country initiative with the National Farmers Federation, and the Allen Consulting Leveraging Private Investment report with the Business Leaders' Roundtable and the CSIRO.

Tim coordinates ACF's Land and Water Ecosystems Program covering salinity, water and rivers, biodiversity, sustainable agriculture, woodlands and forests. Tim is also a director of Land and Water Australia and is a member of Community Advisory Committee to the Murray-Darling Ministerial Council. Please make welcome Mr Tim Fisher.

MR TIM FISHER: Thank you very much. I am here to talk about the gap between policy and reality in the water arena, with a particular focus on the environment. About 20 years ago, water policy was very much the domain of engineers and public works departments. For a number of reasons those days are now gone.

From my perspective, the whole area of public works is very much an adjunct to the environmental directions we should be pursuing in terms of river health. It is these river health policies on which I want to focus today, but I will cover other stuff as well. Before I launch into the talk proper, I want to show a few slides about the different values, uses and issues around water.

This slide shows a typical coastal estuary, in this case Gippsland Lakes, which is really a vital environmental and economic asset. You can find spots such as this all around the country, not too many in South Australia. There is a lot of real estate and a lot of tourism and recreation, and it is a big economic driver in itself. The Gippsland Lakes, like many other

coastal estuaries, are in danger of going bottom up. They are on a knife's edge at the moment; they might flip over into an anaerobic mode, much the same as Swan River in Perth.

This shows a typical eroded gully anywhere in southern or eastern Australia. You can find these sorts of gullies where mismanagement of drainage lines, creeks or waterways has caused a problem. The soil that is missing has moved downstream and is presenting problems somewhere else. There are some catchments, such as the Fitzroy Basin in Queensland, which export tens of millions of tonnes of sediment annually, in this case into the Great Barrier Reef.

That slide shows the Murray Swamps. Some of you will know them well. It is dairy country now. Water undoubtedly has a very high economic value. Irrigated agriculture accounts for 75 per cent to 80 per cent of the water we use in this country. If you look at the reported profits in agriculture, they are nearly all in this sort of stuff. Some 80 per cent of profits come from 1 per cent, and most of that is irrigated. Irrigation is valuable. Water is much more valuable than the land in terms of agriculture.

One of the things we can do to water is salinise it. This slide shows a gully floor that is stuffed, and that salt will continue to creep up the slopes. In trying to deal with that, in WA alone we have 3 000 kilometres of unregulated deep drains going in each year and transferring water from one place to another. God knows what the environmental impacts are, but no-one has a handle on that in the west. Plenty of people want to do it in the Murray-Darling as well.

This slide shows when the Murray mouth did close at the one time in recorded history. The geomorphic history goes back 8 000 years. It does not look too dissimilar at present. Within 24 hours of that closing, the sand on the seaward side built up to a level higher than the 1956 floods. Hence we have a public works issue now and dredging out the mouth. You may be seeing the dredge there for a long time.

This slide shows mangroves up around Brisbane. I pinched that photo off a web site. If it is the Morton Bay mangroves, they have been valued at about \$7 000 per hectare per year in fisheries production terms, yet for a range of reasons we are destroying them.

This slide shows the Murray Cod, which faces an uncertain future. I have said it a few times publicly, but I like to compare it with the Tasmanian tiger. Some 80 or 100 years ago we had the chance of preventing the extinction of the Tasmanian tiger and we blew it. We have the same chance now, and even harder choices, around the Murray Cod and other fish species. There is a dozen or more species that face a similar fate in the Murray-Darling alone.

I would like to start with a quote from the Industry Commission. Prior to this, the water industry was the domain of engineers, which perhaps explains why there was tens of

billions of dollars of accrued debt in underperforming or non-performing assets and thousands of kilometres of irrigation canals. They were all built with worthy intent but commercially were pretty much white elephants. The displayed quote is useful. Importantly, the commission identifies not only the need for better cost recovery policies, which it has identified as being part of the environmental problems we face with water, but also for the need to tie those economic reforms to other policies to promote, as I say, sustainable water use. The twin goals, as displayed on the screen, is, perhaps, an early version of the triple bottom line.

Hon. DIANA LAIDLAW (South Australia): Tim, could you read that quote into the *Hansard*?

MR TIM FISHER: The quote states:

Industry Commission—1991. Reform is urgent. The problems now confronting Australia in the water area demand an end to the political expediency which has so often thwarted worthwhile reforms in the past. Undercharging for water and waste water disposal has been a major contributor to many water-related environmental problems, but policies of cost recovery need to be tied in with other policies to promote sustainable water use. The twin goals of efficiency and sustainability can be brought closer together.

The Industry Commission's recommendations led to COAG's water reform policy which was a couple of years in the making and which focused on quite a few different reforms. You can loosely lump them as economic reforms pretty much designed to plug the leaks financially but they also look at pricing, metering, allocation, trade, property rights, regulation, an end to subsidies, etc. Environmental reforms are as follows: recognising that the environment has needs and requires that governments meet them; recognising the environment as a legitimate user of water; determine the environmental allocations using the best available science; making sure that adaptive management regimes are in place so that you can tinker with things down the track, review them and address deficiencies; claw back water where that is required for river health; water quality reforms, and so on; and ground water.

National competition policy incorporated COAG water policy and, so, the effort to save money became both the carrot and the stick. From our point of view, that model of cooperative federalism, if you like, is very useful to bear in mind in other environmental arenas. The strong indication in all those policies was that markets are not perfect and that governments are there to intervene. So, how does it all travel? The focus has been on economic reforms, undoubtedly, which is one issue we have with the whole process. There has been progress in recovering recurrent costs. It has been slow but it is happening.

Some costs, such as maintenance and refurbishment, have been overlooked. A classic example we often dust off is the \$12 million reallocated from the Natural Heritage Trust to repair the Hume Dam. There was not a single environmental outcome in that one. The costs of planning new dams are often left out of the equation and there has been a fair bit of work,

say, in Queensland for the Nathan and Paradise dams and in Western Australia for the Ord scheme stage 2, where the government continues to act as a proponent without necessarily having a market—certainly not a commercial one—for those schemes.

There is continuing pressure for new schemes. Paradise Dam in Queensland was an election promise. It will not get up because it is just not commercially viable. All sorts of arguments are occurring in Tasmania about why the Meander Dam is in the public interest, but I would suggest that it is not. In the process of reforming prices there has been a few inconsistencies. Large amounts of historic debt have been written off in the rural sector, although the big urban water corporations have been expected to pick up the tab. The same applies to generating rural rates of return on assets, payment of tax equivalents and payment of dividends. The big urbans pay because they can afford to but the rural ones do not.

That is more of an observation than a criticism. Bipart in New South Wales (the economic regulator) has been at great pains to justify that 'polluter pays' should be used in water pricing considering that irrigators, or the water industry generally, do have some environmental impact, but it has also, since then, been at great lengths to justify why it does not apply. It is strange but we do not have any sort of mechanism at the moment to factor in environmental costs. With respect to institutional reform, many water corporations have been corporatised. They are generally more transparent and accountable than they used to be, certainly.

There are still, though, some big conflicts of interest that are entrenched in the institutional structures. Some big rural corporations, for example, allocate water on the one hand and commercially gain from those allocations on the other. Generally speaking, there are no independent environmental regulators. There is a big give-away of rural water corporations to irrigators in New South Wales. They are fully privatised now as companies. Normally, you would expect the Treasury departments to say, 'Well, here is an asset, who is the highest bidder?' That did not happen in that instance. In Victoria and elsewhere most rural water is free of independent prices regulation.

In the words of a former farming leader over dinner recently, transparency is bad for farmers. With respect to allocation in trading, undoubtedly, water trade has realised enormous economic gains and, in the process, water entitlements have been better defined for irrigators but not so for the environment where the environment and other non-consumptive rights, such as fishing and so on, remain very poorly defined. I think that Queensland has probably the best legislation but there are many areas of legislation where the environment really lacks a mention. There is a very big unresolved tension, and I will come to this later, around property rights on the one hand and the need for adaptive management on the other, and both are contained in COAG water policy.

In the whole area of claw back the mechanisms and processes are totally unclear in the property rights debate. We do not have any environmental rules on trading. We can still trade water for new developments in high salinity impact zones in South Australia, for instance. You can trade water between the Murray River and the Murrumbidgee River and, because of the poor exchange rates, the environment and South Australia lose out. There is even pressure to trade environmental allocations where Victoria, for instance, regularly sells the Kerang Lakes' allocation because it does not have any money in its water environmental budget.

With respect to farm dams, Victoria is the only state thus far to have its act in order. Finally, environmental reforms will be my focus. We have had very slow progress or non-existent progress on environmental flows with often tokenistic decisions, noting that many decisions are made in total absence of science, and where science is used it is generally ignored. Government funding programs are pretty poorly focused in relation to rivers, as perhaps elsewhere. In terms of the environment, you have a very poor rationale for where the responsibilities and accountabilities currently lie and, indeed, in some areas no accountabilities are made clear at all, such as environmental flows, water quality and riparian zones.

There are big gaps in policy. I think we could do with a revision of COAG water policy around environmental flows, diffuse source pollution, habitats, habitat protection, and estuaries and, whilst there is lots of glossy documentation around water quality principles, and so on, very little has happened and the policy implements in place now are pretty useless.

There are some positives, some good news stories. Sewage management is improving. In some locations—I think you might have seen a couple today—stormwater management has improved, but it is not systemic yet. In the environmental water reforms in New South Wales it has been hard yards but there have been some gains in New South Wales inland rivers, but a lot of heartache in the process. We have had a decision on Snowy environmental flows. It is not a very popular river in South Australia, but we have been at pains to ensure that the Murray has not been disadvantaged in that whole Snowy process, and there is some road to go. Certainly, it is a great precedent for the Murray that two state governments can actually, one way or another, come together and work out a package which will fix it. There has been a commitment by the Murray Darling Ministerial Council, quite an historic one, to at least talk about what the Murray needs, and I will come to that later, too.

First, I want to create an imaginary catchment, if you will indulge me, and cynic that I am I have devised an almost foolproof way of delivering on COAG water policy in terms of the environmental terms of that policy without actually having to do anything. And any resemblance to policies living or dead is purely coincidental, I will assure you.

Let us start with the big one, environmental flows. The first thing you do is publish a big glossy brochure about all the good things you are doing, the processes, and so on, with lots

of grand statements. You might have established minimum flows in rivers—call on the environmental flows, it looks good. With the 'stressed rivers', which you could call a lot of rivers, you whittle them down a bit. Give them to catchment boards, using their existing budgets. Get them to run a consultation process, and make sure it takes a good while. And, in the meantime, commission the driest economist you can find to come up with a socioeconomic impact study as to why you should not do any more.

In terms of ecological monitoring, fund a community 'frog watch' program, and maybe include bugs and grubs as well, and blame the few remaining commercial fishermen, the victims; not the recreational fishermen, mind you, they are too powerful, and ban them. The forested upland river, the one that looks pretty good, you do not have any of them in South Australia, I don't think—maybe one or two woody streams. List it as a heritage river, it looks good in the papers and it will not cost you a cent, and the same with the areas downstream from a big dam. There are one or two around. They are usually devoid of native fish because of the cold water that they release. So you stock it with trout and list that as a heritage river, too. Trout fishermen will like you: there are more.

If you have a threatened wetland, nominate it as a Ramsar site, like you do with every other doomed wetland of any significance, and maybe the commonwealth might give you a grant to develop a management plan which you will never have to implement, anyway. With pollution, another study in algal blooms never hurts. Fund a community water quality monitoring program—that is a beauty. They will find something to do with the data, because we won't in government; we don't do anything with that sort of data. You can establish a taskforce into sewage recycling, because we are serious about doing something eventually.

There is irrigation drainage, which is actually a very big polluter. Give them some untied water efficiency grants, on the assumption that if they recycle a bit then less gunk, cow crap and all that will end up in the rivers. And, in fact, less water will end up in the rivers, too, in the process. Maybe call it a land and water management plan. It is interesting that a lot of people talk about improving water efficiency, but, for all the probably hundreds of millions of dollars of government funds spent on improved irrigation efficiency, not one drop of water has been returned to the environment so far. There are a couple of other things you can do with that. With fish strategy, you can trial a fish ladder on a weir. That is a public work. With riparian vegetation, that is a toughy. Just issue some guidelines, that will do, and flood plains, same thing. That will qualify you, I think, at least for a few years, as having delivered on policy.

MR TOM KOUTSANTONIS (South Australia): Did you get the minister to swim in the river at all?

MR TIM FISHER: No, I won't go there. Okay, but seriously, you all know at least some of the hot spots around the country. There is, of course, the Murray-Darling. There is the Sugar Coast and the Great Barrier Reef, where a big industry, tourism, is directly threatened by the activities of beef and sugar, two smaller industries. Maybe our priorities are arse about there. The Snowy River is still a hot spot. We still have not really achieved anything there. Plus just about every coastal river in eastern Australia. A scientist told me that he studied pretty much the lot of them, and the only healthy river he has found south of Cape York is the Thorough River in East Gippsland. We all know about the Namoi groundwater issue, and it would not be such a problem if it was managed better.

MS VICKI DUNNE (Australian Capital Territory): Where is that?

MR TIM FISHER: In central New South Wales, John Anderson's electorate. It is a similar problem to what McLaren Vale has had over the years, but McLaren Vale seemed to be able to sort it out much more amicably. There is the Great Artesian Basin, often understated or bypassed as an issue, but it is a case of actually too much water being put onto an arid environment and causing a whole host of environmental problems. So not only do we need to cap bores, which is an expensive process, about twenty grand a bore, with 7 000 free flowing bores around the place, but also to restrict water from some areas that still have some decent environmental values. In the Perth region, surface and groundwater scarcity is the issue there, and if anyone wants a good rationale for why we cannot have 200 or 300 million people in Australia just go to Perth. Behind every coastal estuary, or almost every coastal estuary is a sick river, if it is a sick estuary that is. There is a whole lot of them.

So why do we need some environmental forms? Of course, we have degrading rivers, and most in south-eastern Australia are exploited out or beyond their sustainable limits. We have some looming extinctions and ecological breakdown, and it gets pretty expensive to repair things once you have done things wrong in the first place. A lot of industries depend on healthy rivers—water, tourism, recreation, recreational and commercial fishing, real estate, and even agriculture. To take water quality alone, water treatment is expensive, and I think that is illustrated by the fact that the City of New York found it cheaper to buy up a whole catchment and take all those land uses out, rather than treat chemically.

So the financial costs of this degradation are high and rising, anyway, whether it is salinity or water quality or what. There is, I think, an issue here about responsible governance, that there is a lot of money wasted, and sooner or later government funding programs are going to be exposed as being unaccountable for outcomes. I think also an unstated issue is that our environmental performance, in agriculture especially, may become an issue for future market access. Agricultural subsidies in Europe are now ostensibly on an environmental basis. I think all the signs are there that trying to sell ourselves as clean and green is not going to be that simple.

There are political issues attached to that. I think there is a growing public perception that governments are avoiding the tough decisions. Nowhere is that more the case than on the Murray Darling. As those tensions build up it becomes a political issue. There is an element of unpredictability and volatility in elections that we have never seen before. It is not wholly attributable to the environment, but it is a factor. Just look at the recent state elections in Victoria and South Australia. There is an issue of credibility for public programs: if we are spending all of that money how come things are still continuing to degrade?

I would like to look at the Murray Darling. Many of you will know what is going on. We have average flows taking a hammering but average flows in a river like the Murray Darling is a pretty meaningless concept. You can have wet or dry years and all sorts in between. Median flows is perhaps more accurate, but most of you would know that we have had no flows of freshwater at all through the Murray mouth since last November. If it does not rain between now and about next July or August, South Australia will literally have no water for the first ever time. It is a frightening thought because there is nothing in the kitty.

We have very poor river health in the Murray Darling, to which I have alluded. The wetlands, the flood plains and the estuary are all pretty sick. Species such as murray cod are facing extinction. Scientists are telling us that, as a minimum, we need about 1 500 gigalitres or more of water extra in annual flows in the Murray itself. Given that a lot of water gets lost along the way—in Menindee Lakes, for instance, more water evaporates than is used upstream of there—that is equivalent to about a 20 per cent cut in the Murray Darling cap. To illustrate that, Melbourne uses about 480 gigalitres a year. So, that minimum figure of 1 500 is more than three times what Melbourne uses, and salinity and all of those water quality issues are still there.

Whilst I am often critical—we probably all are—of the Murray Darling agreement, it is probably the best model for getting cooperative, collaborative decisions from the commonwealth and the different governments. After all, the Murray Darling agreement is only as good as the governments that are party to it.

I will now give you my recipe for how to fix the Murray. First, you need flows, so cut the cap. It cannot be done overnight and it cannot be done without cutting allocations. You cannot fiddle around with water savings in the same way as we are trying to do with the Snowy because there are very steep diminishing returns. After the Snowy gets its share, we are looking at very expensive water through savings and infrastructure. You will need to cut the cap. In doing so, there will have to be some pretty sound workable fallback options. Lots of governments have been talking about entering the market for water. That will take forever and a day, given the limitations of the market, but it will also inflate the price of water. It will piss off the market and it just will not work. We need options that will work. Irrigators want

governments to share the pain. If that is the case—and realistically I think it is—we are looking at at least \$1 billion over 10 years or so. So, we will need a joint commitment to find that money. It is not a state issue; it is a national issue.

Along with that is a whole bunch of capital works. Some of them are pretty much with an engineering focus such as wetlands, fish ladders, rebuilding the barrages wouldn't hurt, warm water dam offtakes because the effect of cold water releases goes hundreds of kilometres downstream, and more soft engineering, if you like, such as river frontage management, because it is very important to have habitat. By themselves they will not do a lot, but they are a necessary adjunct to environmental flows.

Finally, and very importantly, you need to verify what happens at the end of the day: you need to monitor. In addition, I think it is important to have a community base which is reasonably united in the need to do this and the need to achieve a healthy river. Clearly, there is a policy gap. To start filling that gap I suggest that, first, we commit to the Murray. It is staring at us as a major issue that needs resolution, but there are a few things that we can do.

Rather than rely on the old ministerial council model for environmental and natural resource management, I think it is time that we adopt a whole-of-government approach. One way to do that is to have COAG auspice this whole arena of environmental and natural resource management. How else will you get not just premiers, ministers and cabinets but treasuries, regional development and other portfolios doing their bit? These are very important issues that need a whole-of-government response.

I think we need to renew the COAG water policy and, in that process, strengthen the environmental policies therein. The current COAG water policy is nearly 10 years old. We need to much more clearly articulate environment performance requirements and accountabilities. That will inevitably involve some changes to legislation and regulation as well as policy. As part of that process we need more accountability, and that means more environmental regulators or, at the very first, auditors to check operating licence requirements and so on.

In northern Australia there is a whole bunch of development proposals that are threatening. I think we are in grave danger of repeating the mistakes of the past, perhaps not all of them, but certainly of ending up with a big environmental and financial liability if we do not do things better and do more integrated planning. For instance, the Fitzroy River in the Kimberley is the biggest single tourist attraction in the Kimberley. Tourism is the fastest growth industry in the Kimberley. If it was dammed, you would have ruined the goose that laid the golden egg.

I want to put before you a national environment levy. I used to be a real sceptic about this, I thought that you would never get it up. Just think of all the levies that we have had: a sugar levy, a dairy levy, an East Timor levy, which I do not think was ever used, and now we are talking about one for Iraq. These are all hypothecated levies where the money comes out of one source and goes straight into the area where it is supposed to be spent. Why can't we do that for the environment? We have a really important suite of issues of national significance. Why can't we try to find the dollars? If it was defence, you would just snap your fingers and appoint a panel and they would say, 'Oh yes, an extra \$4 billion a year—no problems.' Why can't that happen here too? It happened with the petrol tax.

MR BRENDAN O'CONNOR (Commonwealth): If you're going to sell Telstra—

MR TIM FISHER: The environment is core business.

MR BRENDAN O'CONNOR (Commonwealth): I agree. I think that is a very valid proposal.

MR TIM FISHER: I have just told you what you should do; why you should bother is the other thing. Obviously, things will only get worse if you do nothing. Just holding a line on the Murray Darling cap will not hold the line environmentally; things will continue to get worse. It is the same with a whole suite of environmental issues. Another example of things getting worse is the 'do nothing' option on salinity in the western Australian wheat belt, for example, and the Murray Darling as well.

The only option that will hold the line on salinity levels in the WA wheat belt is instant 80 per cent tree cover plus drainage. It is a horrifying thought that that level of change is required. So, there is a need to arrest those rising costs. We will not pay the majority of those costs: it will be future generations. In the process, I think that an important imperative is that there is a need to defuse the tensions that are at risk of running out of control. In ACF we spend a lot of our time trying to deal with irrigators, for instance, and to establish good relations. We have even signed them up to the odd press release. When you have an environmental issue that is causing conflict, it is very important not to exacerbate that conflict by polarising the debate.

Having good policies and programs in place means that you will not be encouraging unsustainable development like more sugar in the sugar case, for example. We need those settings right so that we do not just promote more unsustainable development. I would also ask to you think about this: especially in rural and regional Australia, the prime drivers for future development, the real primary assets for regional economic activity, are actually environmental assets, such as rivers but certainly not restricted to that. I will leave it there. Thank you very much.

MR IVAN VENNING (South Australia): Thank you, Mr Fisher. Certainly a very thought provoking, if not cynical, address. And why wouldn't you with a roomful of politicians! We will open up for questions now.

MR TONY McRAE (Western Australia): That last slide included an aside using Western Australia's wheat belt as an example, and I think that it is a good one, and you then went on to talk about one of the elements in that slide. To arrest salination in Western Australia, which I think is the most chronic in Australia, you are suggesting 80 per cent instant tree cover. The next element that slid into view on your slide was 'defuse the tension between production and the environment.' Both of those statements of themselves are valid statements but they are in direct conflict, and therein lies the problem with the growing salinity crisis in Western Australia.

For people who do not know the west, 40 per cent of Australia's wheat, about 30 per cent of Australia's high grade wheat, comes out of that wheat belt. It is a very productive zone in Australia, yet we see from the statistic that was presented to us yesterday something like 5 or 6 hectares per hour disappearing to salinity. Herein lies the gap between policy and reality. Do you want to expand on that a bit further beyond your presentation?

MR TIM FISHER: Whatever happens in the wheat belt as far as addressing salinity is concerned, we will lose more. We are going to lose a lot more land.

MR TONY McRAE (Western Australia): No question about that.

MR TIM FISHER: We will probably also lose hundreds if not thousands of species. In the west we probably have the best set of research around the impacts of salinity on biodiversity. We have similar impacts on this side of the country but not much known about them. There are perhaps some ways forward, but hardly anyone is even starting to look at it. It might be 40 per cent of Australia's wheat crop, but is it worth having a wheat industry if it is going to have that level of impact? Might we be better off looking at other commercial land uses, perhaps even assisting those land uses through some smart taxation policies, for instance, that might attract investment to those areas to change land use through some smart pricing measures? One crop that might have potential is simply a wood-based methanol, or other wood-based alcohols. The significance of that might also be in energy and greenhouse policies.

MR TONY McRAE (Western Australia): We are trying to sell gas at the moment.

MR TIM FISHER: You probably only have another 20 or so years to do it, because it will run out, and with petroleum it is much shorter than that. Our domestic petroleum production is going to go south and we will have to import more, which will mean an \$8 billion or \$10 billion balance of trade deficit in that sector. Why shouldn't we start looking at new land uses? Forget about calling in the wheat industry and having to prop up the wheat industry: I

think we have to focus on land use and commercial or semi-commercial opportunities for land use that address, in that instance, salinity, as well as other environmental issues.

I have also seen an analysis that shows that, without biomass of some description on a large scale, Australia does not have a hope in hell of meeting its Kyoto commitments. That is the sort of language we have to start talking, rather than pitching it as a debate between farming or not farming.

MS VICKI DUNNE (Australian Capital Territory): Isn't the issue that if you do not do anything, if you do not put 80 per cent tree cover in the western wheat belt or 50 per cent in the mallee, then in 20 years' time you will have nothing?

MR TIM FISHER: I don't think that is true.

MS VICKI DUNNE (Australian Capital Territory): The argument is being put that if we did nothing in the mallee, in 10 or 15 years it would be knee deep in salt water, which would be very good for prawn farming or something like that as an alternative land use, but if you want to continue to do something in the mallee or in the wheat belt that you are currently doing, you actually have to make a decision that you have to give up some of it so that you can retain at least some of it.

MR TIM FISHER: If you did nothing, you would still have agriculture. There would still be plenty of areas that would not be salinised. It would be the valley floors or low-lying areas or whatever that would be salinised and there would still be a lot of land that would not be. In the case of salinity, I think agriculture has perhaps less to lose than the broader public interest in terms of biodiversity, water quality, infrastructure such as roads and so on. I would reckon that those losses will be worth more than the agricultural losses in the long run.

HON. KEN SHIRLEY (New Zealand): I was quite surprised to hear your plea, almost, for subsidies for farmers: we would never hear that from the conservation movement in New Zealand. You indicated that it could need a billion dollars, I think was the figure you used, to help change incentives or whatever. Given that often it is taxpayer subsidies that create these problems in the first instance, and the old rule is that you do not fund something you do not want more of, what is the logic of offering either tax breaks or subsidies to change behaviour?

The economist we heard earlier in the session emphasised the need to internalise externalities, which would indicate that you would do it through pricing mechanisms, that if there are degradation issues you would do it through the correct pricing mechanisms. The message I took from you was an acceptance of ongoing subsidies and taxpayer grants, tax breaks or whatever, to change behaviour, and in my view that does not work.

MR TIM FISHER: Perhaps I had better explain myself better, because I am renowned as being an opponent of subsidies and referred to as an economic rationalist within the environment movement. Especially in relation to water, I have been a fierce advocate for full cost recovery and an end to subsidies for new schemes.

There is a difference between a subsidy and an adjustment package, especially in the arena of water where it is not entirely clear who is right and who is wrong. All water legislation around the country is different. It has some similarities and it is controlled by states—which you might not appreciate in New Zealand—but different legislatures dealing with water is a problem, and it is written into our Constitution.

The farmers perceive they have a property right and, to the extent that is tradeable, they are right. Governments do retain the legal power to amend those entitlements, although they allocated the water in the first place. Politically, irrigators are a real force. As I said, that is where all or most of the money is in agriculture. I think there may be some legitimate equity issues, and certainly there are some legitimate issues around adjustment, about farmers' needing capital to be able to invest in water efficient technologies, for example, so they could do as much as they are now but with less water.

HON. KEN SHIRLEY (New Zealand): You also advocated an environmental levy. Again, I cannot see the logic of cookie jar accounting and having levies. What is the difference between a having a tax-specific levy and doing the initial allocation with adequate money to achieve the goal you want through the vote environment, or whatever? What is the point of the levy?

MR TIM FISHER: I much the prefer the latter. We have had so many levies. We have not been able to get governments to increase their environmental budgets. It is not a hot enough issue for them. The commonwealth, in particular, has needed to increase budgets in certain areas, such as the sugar industry. I believe it was a rort but, nevertheless, they introduced a levy after having told us repeatedly that there was no case for new levies.

I do not like the logic, but it works for our health system. We have a health levy. Arguably, that should be drawn from the taxpayers, too, but from my point of view the important issue is getting environmental outcomes.

I touched on an issue around tax policies for sustainable agriculture. Last year, we commissioned a report by the Allen Consulting Group with the Business Leaders' Roundtable. We were looking at the problem of how to stimulate private investment in sustainable land and water use; secondly, how do you make environmental dollars in the public arena go further?

Our report called, 'Repairing the Country—Leveraging Private Investment', which is available on our web site, found that for \$360 million a year in reduced tax revenue—because it is about providing tax incentives through pooled development funds for investors—it would be able to leverage about \$1.3 billion a year for accredited projects. You need the accredited framework as well.

Some \$1.3 billion is more than half the total investment in agriculture in Australia. In terms of generating change, that would seem to me to be a much more efficient way of doing it; rather than selling Telstra and having lots of money thrown into different bandaids. I am not saying that we should not have lots of money, but that is not so much a subsidy as a smart strategy for leveraging investment that also delivers public policy outcomes.

HON. DIANA LAIDLAW (South Australia): I want to ask about the \$1.3 billion cut in the cap, and your statement that irrigators want governments to share the costs. Recently, I was told that a business person had bought a lot of water rights from the Darling-Murrumbidgee area and had on-sold them at great personal profit to himself to the Barossa Valley. When I was told that story it was suggested to me that the government should be buying up those rights and not onselling them to cut the cap, I suppose, and to get this back into perspective.

Is that what you are talking about in terms of irrigators wanting government to share the cost, cutting the cap and spending that \$1.3 billion.

MR TIM FISHER: I think it was \$1 billion upwards. I do not think that will work. I think the volume of water traded so far in interstate trades is 30 gegalitres over about five or six years. We are going to be talking decades if governments are going to be buying water.

I do not think governments should be paying market prices and, if they were to enter into the market, the market would be distorted. We would be paying super premium prices for water. We do not accept there is a right to compensation of market value. We think things can be done cheaper, and we think it should take the form of a cost-sharing arrangement between governments, on the one hand, and irrigation communities on the other.

That is why we say that through legislation and regulation we should just cut allocations and give people adjustment packages to help them live with it. There might be markets in water debits; there might be markets in people who decide that at age 65 and as a result of the cut, 'I might get out of the industry and sell what is left to people who want to buy it.' The market is a good adjuster anyway but, in terms of equity, structural adjustment and politics, I think that money has to be on the table or we will not get the change required to fix the Murray.

MR BRUCE BILLSON (Commonwealth): We have earned up to \$1.5 billion on NHT money and, Hume Weir aside, the bulk of those resource allocation decisions have come through regional assessment panels and state assessment panels. All the usual suspects have been sitting around bonding and reflecting on where to spend the money. Do we have poor decision support systems and a lack of clarity? Have the 10 years of catchment management planning and identification of priorities been an entire waste of time? How would one go about better targeting resources of whatever method, given that practice which was advocated to the commonwealth, and many beyond, as being the way to go seems not to have delivered outcomes, which certainly I was looking for and, from the sounds of things, you were looking for.

MR TIM FISHER: There are many answers to that. Until you get the right federal framework between the states and commonwealth, I think you will always be arguing about who does what; the states' getting their share of the dough; all those cost-shifting things; the commonwealth's wanting one set of standards and the states saying, 'No, we don't'; and the catchment groups caught somewhere in between. Some catchment authorities in some states have a lot of power and resources and other authorities in other states have almost none.

Those sorts of things require a national approach. I do not think we will get it until we get a commonwealth government that is prepared to bring it to the table—

MR BRUCE BILLSON (Commonwealth): Until we actually say, 'Here is the framework, here are the priorities, here are the assessment tools, here is the monitoring. If you do not meet the marks on those institutional requirements, talk to us another day.'

MR TIM FISHER: You were part of the House of Representatives committee where everything we recommended was roundly rejected. We thought there was a lot of good stuff in that report. I alluded to the National Competition Council as a model where there is a semi-independent body advising, in this case, the Treasurer on who should get the dough and who should not. There have not been too many instances where they have not got the dough but there have been quite a few positives out of all of that process—it just helps to drive things.

HON. DUNCAN KERR (Commonwealth): The other day a gentlemen pointed out that one of the ironies is that if you just cut caps you will probably generate greater efficiencies of use, which in turn means you get less returns into the river systems. He was advocating that we make certain that we cap usage, or diversion or consumption. The other point he made was that trees will also reduce returns, and so you have this dilemma between salinity management and, I suppose, larger environmental issues regarding greenhouse and water-flow issues that go with re-forestation of areas. Have you puzzled through these dilemmas yourself?

MR TIM FISHER: Yes. That tree one is a curly one. It has lots of different manifestations. One is salinity, obviously, but I think a lot of work is still to be done about whether you have a blue gum plantation or shrubby revegetation. A lot of land probably is not worth much any way. You could probably revegetate it pretty well at minimum cost and just stop production. Some parts of the country will have to face up to the fact that continued farming is uneconomic. Plantations will probably be grown only in certain rainfall zones, so beyond that we are talking about preferably woody crops. But, yes, there are big trades-off there—similarly with respect to urban water.

Economic studies and so forth have proved to Melbourne Water that logging in the Thompson catchment and probably others just simply is not worth it. You could have a big increase to Melbourne Water's supply if you took logging out and just let the trees grow old gracefully, but there are legislative contracts of timber supply to 2032 that restrict your doing anything about that. The most recent study indicates that the cost of purchasing plantations to supply those same people that take timber out of those catchments is about the same cost as what you currently get in timber royalties anyway—it is very cheap. So, Melbourne Water could afford to buy it if the government would let it but politically it does not want to.

There are lots of different trade-offs and there are no easy solutions. Climate change is another factor. We will probably see, perhaps, a 40 per cent reduction in stream flow for many rivers of the River Murray-Darling system. Forget about trees. Climate change is a huge factor. There are some pretty horrific issues and trade-offs coming up and we have not dealt with them well. The only area of which I am aware that adopts a policy framework for resolving the trade-offs between timber and water is in the South-East of South Australia with the ground water recharge issue. I am not sure that that situation is perfect but you sort of need the equivalent of a water licence to grow trees.

MR MARK BRINDAL (South Australia): They have not brought in legislation yet; we are still waiting. Is it not true to say that it is a case-by-case example because if you take the trees away on the western slopes you get ground water flowing into the rivers and in some cases that has high salinity. If you put the trees back you still get marginally less surface run-off but you get surface run-off. In every valley it will be a different answer to the question. You were talking about the Murray Mouth. I am talking only in here and not to the media. Everyone is appalled that the Murray Mouth is going to close but if you look in geologic time and not in human time the Murray Mouth has closed at least four or five times.

There are four or five mouths, which suggests that part of the geological process for that whole evolving system. The area is continually evolving and very occasionally it closes over. I know that it will change everything, but is that part of ecology that this thing must remain static, or do we accept that sometimes something will happen and it will change it profoundly? I am not pretending that I know the answer but I am asking you whether you do.

MR TIM FISHER: If it is, and it is my understanding that it is not, it really does not change the fact that we have created a permanent drought in the Murray-Darling and we are not going to be able to get the sorts of events that might have reopened or reformed a mouth. So we will need those engineering interventions until and unless we can get a decent environmental flow.

MS VICKI DUNNE (Australian Capital Territory): Tim, you did actually have a list of things that you would do, but you skirted around the hard issues. Ken took issue with your idea of rural adjustment schemes. If you were starting as the echo conservationist, what would you do in the Murray-Darling or in the Murray? What would be the one or two big things that you would do to turn the system around, if you had free rein?

MR TIM FISHER: I would cut allocations, I would cut the cap, I would have a decent sized pile of money to deal with those adjustment issues, and I am not talking about general old-fashioned structural adjustment or drought relief or whatever it is called; I am talking about basically money for an outcome. And I would throw a whole lot of money at capital works and environmental works. That would be pretty much it. That is leaving aside the issue of salinity. Environmental flows will buy time on salinity. It won't fix salinity.

MR IVAN VENNING (South Australia): Thank you. That brings this part of the session to a close. On behalf of conference delegates I would just like to thank you very much indeed, Mr Fisher. You have certainly been provoking, and I certainly enjoyed your cynical model. As politicians we would not ever own up to being cynical but we certainly saw a definite pattern in that. The fact that you put it up meant that you opened up something very well, because you explained what does happen today, and usually for political reasons, and it does highlight to us the hurdle, which is usually political, and that is the theme behind this whole conference.

I would like to accept a small gift on behalf of the national conference today. I have surveyed the gift, and you have done very well, sir, with the Henschke *Julius*—from the Barossa Valley of course, where else?— and, as former minister Diana Laidlaw would know, Annie's Lane, which she opened some years ago, an Annie's Lane *Copper Trail* shiraz, 1998. Certainly, sir, I would recommend that you share these with friends, and, again, we have certainly enjoyed your speech this afternoon, and, most important of all, it is on record—thank you *Hansard*—and it is there for us to consider your words and, as time goes by, we may revisit it.

Thank you very much.

MR TIM FISHER: Thank you.

[Acclamation from delegates]

CONFERENCE PAPERS

MR IVAN VENNING (South Australia): Ladies and gentlemen, we now have the report session. Keith has just asked me to raise with you whether any delegates have conference papers that they would like to present now. I would like to point out that we have been given a couple of reports from you as delegates for the jurisdictions, and they have indicated that they are happy to have them distributed with our papers after the conference. Other jurisdictions may do so if they wish to give a copy to either Keith Barrie here or Knut Cudarans at the other end of the chamber.

Delegates may now present a paper. Delegates may have an early minute if they do not wish to do that, but being 10 past 4 I think it would be disappointing if we did not have a couple of people to give a report or two—particularly some provocative reports which we do enjoy. So are there any provocative reports from any of our states, even short ones, that delegates would like to put up now? Otherwise, with the long reports we would like to have them and we can present them with the papers at the end of the conference.

MR TONY McRAE (Western Australia): The Economics and Industry Standing Committee of the Western Australian Legislative Assembly has only really been in operation since the beginning of the parliament elected in February 2001. Five days after the election some of you I am sure would have seen the TV footage of the toxic waste fire at a facility in Bellevue in metropolitan Perth. There have been explosions in a couple of instances in Melbourne, and the eastern seaboard cities have all had at least one of similar sort of scale; but the potential for the Bellevue toxic waste facility fire and subsequent air and ground pollution to be a major catastrophic event was very real.

The Economics and Industry Committee undertook an inquiry that took up the best part of 12 months. We did use the experiences of committees in Queensland, New South Wales and Victoria, and to each of you whom I have met previously I extend in this forum a vote of thanks from the Western Australian Parliament. I did not bring the report, but would advise that it is available through the WA Parliament website.

Essentially for the interest of committee members here, I would say that there are a couple of key issues that emerge from that inquiry. Firstly, the silos of information around monitoring and governance was a precursor and a critical ingredient to that toxic facility being ready, willing and able to explode in the way that it did, and the silos of information were particularly between—and each state's framework for this varies—but in the Western Australian circumstance the silos around the Department of Mines, the Department of Environmental Protection, and the local government authority meant that there was no share of

information about consistent failure to comply with the licence requirements of that facility for more than 10 years.

There are also serious issues that emerge from that fire, reported again in our inquiry report, going to the issue of firefighting, emergency services response and the public health interests, associated particularly with the siting but also the management of those sorts of incidents where you have a potentially major catastrophe on your hands. We have finished that report, as I said, and have now filed recommendations, totalling about 40, to the government, including, as I understand it, the establishment of the very first public health register as a result of air pollution from a toxic waste fire in Australia.

By way of topical reference, I note, too, that the City of New York has had to embark on the same sort of learning process for establishing the criteria and methodology of management for a public health register, that is, monitoring people's exposure levels from the time of the incident and then monitoring that and managing that over a long period of time—lifetime. It does raise serious implications for governments, on long time scales. I commend the report to you.

MR IVAN VENNING (South Australia): Has anybody got any questions on that before we go to the next report? Certainly, we welcome the supplying of that report to the national conference, and you might like to take questions privately afterwards, and on anything else that your committee has done or put up. I would now ask Mr Bruce Billson, the federal member for Dunkley, to put up a report or a comment.

MR BRUCE BILLSON (Commonwealth): Colleagues, the House of Representatives Standing Committee on Environment and Heritage has been beavering away. There will be a written report circulated for your interest, but if I can just capture some of the more entertaining bits of it. Tim mentioned that we have done a lot of work on catchment management. The committee prior to the previous election reported a report that was fairly controversial, which might be the nicest way to put it, recommending a national catchment authority, a national framework and some decision support systems, some monitoring systems, and recommended an examination of the feasibility of an environment levy. For a range of reasons the executive has not responded to that report as yet, and I have a very clearly articulated set of reasons as to why that might be, none of them saying it is a little too difficult. We have not got a report back on that yet, but some of your parliaments, and indeed some of you individually, may be interested in that body of work.

The National Land and Water Audit was handed down last week. We have been particularly interested in that. The infrastructure that needed to be put together to bring all that data into one place, into one manageable form, inspired some of our thinking on a national catchment management authority. There is a world of data out there; it is just that all different

agencies hold on to it, they do not share it. They certainly do not pass it across political boundaries, called states, even though the natural systems do not care too much about those boundaries. We were very keen for a broader sharing of that information, and that was in part why the recommendation for a national catchment management authority was put forward—information sharing, performance data and decision support information was all pretty central to that.

We have had a bit of a look at issues around property rights and water allocations for environmental purposes. We actually suggested the Law Reform Commission look at some of these property right arguments. Property rights for water can be fictitious, can be fudgeable; there is a lot of daylight in between. There are also property rights for the peaceful enjoyment of adjoining landowners, which is a long established common law principle, where you hope your neighbours do not mess with your opportunity to peacefully enjoy your land. So there are some duty of care issues that were also there that we have put on the table that need to be examined, and we hope something will happen in the near future, particularly as water trading proceeds and in relation to some of the discussions we have been having today.

There are also some issues that the other committee, Agriculture, Fisheries and Forestries, are looking at in terms of future water supplies, and my colleague who was here earlier in the day is a member of that committee, and Tony Windsor could probably shed some light on what is going on there. Shortly after the conference last year in Canberra we handed down a report on public good conservation. We looked at that issue where land custodians, land managers, were doing maybe more than their fair share, or in their minds more than their fair share, and we looked at some transitional assistance to adopt more ecologically sustainable land management practices, and also financial assistance for the management of protected habitats and high conservation value areas, where property owners were having to do more than someone who was not in such a situation. So there was duty of care and also targeted incentives.

My final comment, which is elaborated further in the report, relates to our current inquiry, and that is about employment in the environment sector. We hear some ballistically large numbers about opportunities for green jobs, and the great potential that provides for our nation. We are not quite sure how we are going there, whether we are nailing all of those opportunities, and the inquiry is looking at this question. Some of the themes that are emerging that may be of interest to you are:

- What is good environmental management, how do we know, how to we validate that?
 - How does the financial sector and the financial industry generally know about these things?
 - Harmonisation of regulation across jurisdictions.
 - The lack of data to back up claims.
 - Training issues.
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- Ecotourism.
- Product labelling.

There is a whole bunch of juicy stuff. So that is outlined in our report that you will be handed at the end of this committee meeting.

My final thanks go to the organisers. What a terrific job. Fantastic job. Great credit to all of you. Pass on our best to the organisers and the people who have put the time in to make all this conference so enjoyable. The hospitality has been fantastic, and we have learnt a lot. So on behalf of the committee, thank you. And that paper will be circulated with your other papers.

MR DON LIVINGSTON (Queensland): Since the last conference in Canberra last year our committee has had a fairly busy year. We have tabled reports on the Cairns Convention Centre, the new government office building in Cairns, and the redevelopment of the Talabudgera Recreation Centre. We currently have inquiries into the Burdekin River project, Great Walks of Queensland project, and also the Maryborough Correctional Centre. All of our reports will be on the net also. We will table some other documents with that tomorrow, reasonably briefly. This conference has been wonderful for us in Queensland because, like everywhere water, is one of those great issues for us. Whilst our committee has been looking at the Burdekin River project, at the back of my electorate we have a lot of water issues, as does Kevin Lingard also.

Yesterday, one of the earlier speakers referred to a prospect that is happening up there at the moment investigating what is known as 'grey water' going from Brisbane to the Darling Downs. Whilst I hope that happens, I am doubtful that it will, because it is a long way to pump water uphill. At the moment, I think that the guesstimate is about \$600 million to \$800 million to do so. Certainly, it is a considerable amount of money. I hope all of those people here who have friends in the federal government can convince them to throw a few dollars our way. I am sure that would help along the line because \$600 million to \$800 million is a lot of money. That project does not have to go all the way to Toowoomba, it can go up through the Lochiel Valley, which is known as the salad bowl for south-east Queensland. It is a difficult project; let's hope that some good comes of it, because it is in the best interests of everyone if we can make it work.

To South Australia, thank you very much for putting on this conference, it has been excellent. As the previous speakers said, your hospitality has been first class. The things that we have looked at today have been great and, on behalf of Queensland, we thank you very much.

MR IVAN VENNING (South Australia): I will hand over to Paul Caica, the Chairman, to take the accolades.

MR PAUL CAICA (South Australia): I am always nervous about accepting accolades, because we have one day to go and it could all turn to crap, seeing as we have been talking about effluent. I will take your appreciation on board and thank you very much. If things do turn that way tomorrow, we will expect you just to stay quiet.

Conference adjourned until Wednesday, 2 October at 9 a.m.]