**IRRIGATION (TRANSFER OF SURPLUS WATER) AMENDMENT BILL 1997**

**Legislative Assembly, 22 July 1997, pages 1922-3**

Second reading

**The Hon. G.A. INGERSON (Minister for Infrastructure)** obtained leave and introduced a Bill for an Act to amend the Irrigation Act 1994. Read a first time.

The Hon. G.A. INGERSON: I move: That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in Hansard without my reading it. Leave granted.

On 1 July 1997 the eight government highland irrigation districts were converted to self-managing private trusts. This is a significant milestone in the increasing development of the irrigation sector in the Riverland.

Since the new Irrigation Act 1994 has come into effect, the impacts of restructuring the irrigation industry brought about by that Act, have been evidenced by the increasing economic activity in the Riverland. Rehabilitation of infrastructure, improved irrigation methods and the efficient reallocation of water through trading in the water market have significantly contributed to this.

There are currently several development proposals requiring irrigation water along the River Murray. The private water market is unable to meet demand at the moment and the developers are experiencing difficulty sourcing sufficient water at the required security level. Interstate water trade is most unlikely to provide an immediate solution as it will only generate small quantities of water for the first few years.

Significant development opportunities can be progressed if unused water from the newly converted irrigation districts can be released. The impediment to this is the inability of the new trusts to lease water on behalf of the district as whole. The temporary transfer or leasing of water was not envisaged at the time the original Act was drafted but has since become an important trend in the market.

 A number of irrigators have water allocations that are not fully utilised from year to year. Significant buyers of water seek large parcels of water for longer terms than individual growers will offer. It is difficult to trade small amounts of water and individual irrigators are usually not in a position to deal with their unused allocation. Further, in many cases irrigators whilst not prepared to transfer their allocations (or portions) permanently, are willing to transfer portions of them on a temporary basis.

There is a market for the temporary transfer (or the leasing) of water on various bases. The only way for this to successfully operate is for the irrigation trusts to co-ordinate the aggregation of prospective unused water allocations and manage the leasing process.

The Bill regulates the way in which this can be done. It requires 21 days notice of the resolution of the trust by which the decision is made to transfer part of the trust’s water. It also requires the proceeds to be divided between the members of the trust.

Explanation of Clauses

*Clause 1: Short title*

*Clause 2: Commencement These clauses are formal.*

*Clause 3: Insertion of s. 46A Tuesday*

Clause 3 inserts new section 46A into the principal Act. The new section regulates the way in which a trust may transfer surplus water. Twenty-one days notice must be given of the resolution by which the trust decides to transfer the allocation for surplus water. Subsection (1)(c) sets out the way in which proceeds of the transfer must be divided between the owners of the irrigated properties. Paragraph (b) ensures that excess water is transferred before unused water. Subsection (2) provides definitions for terms used in the section.

Mr ATKINSON secured the adjournment of the debate.