**MURRAY-DARLING BASIN (AMENDING AGREEMENT) AMENDMENT BILL 2006**

**House of Assembly, 31 May 2006, pages 339-40**

Second reading

**The Hon. K.A. MAYWALD (Minister for the River Murray)** obtained leave and introduced a bill for an act to amend the Murray-Darling Basin Act 1993. Read a first time.

The Hon. K.A. MAYWALD: 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.

The Murray-Darling Basin Act 1993 requires amendment to reflect changes agreed to by the South Australian Government through the Murray-Darling Basin Agreement Amending Agreement 2002 as part of corporatisation of the Snowy Mountains Hydroelectric Scheme.

The Murray-Darling Basin Agreement 1992, provides the process and substance for the integrated management of the Murray-Darling Basin. The purpose of this Agreement is:

"to promote and co-ordinate effective planning and management for the equitable efficient and sustainable use of the water, land and other environmental resources of the Murray-Darling Basin”.

The Agreement is a schedule to the Murray-Darling Basin Act 1993.

The corporatisation of the Snowy Mountains Hydroelectric Authority was a component of the reform of the National Electricity Market. The Australian Government and the Governments of New South Wales and Victorian Parliaments passed the initial corporatisation legislation in 1997. South Australia was not a party to this initial corporatisation legislation.

The Snowy Scheme was corporatised on 28 June 2002 following the signing by the relevant Governments and where necessary by the corporatised entity, Snowy Hydro, of more than 30 separate agreements.

These documents were a mix of intergovernmental and commercial licencing contracts. They reflected the long standing, uncodified, arrangements which ensured minimum annual water releases to the Murray and Murrumbidgee systems. South Australia and other States depended on these arrangements for the provision of water from the Snowy Scheme.

Additional generating flexibility was granted to Snowy Hydro by reducing water release obligations in years when Murray and Murrumbidgee water requirements were already ensured. Rules were also adopted to properly account for reduced water entitlements to Victoria and NSW as a consequence of Government funded water savings which, in turn, enabled Snowy Hydro to make environmental releases to the Snowy River.

In order to provide enduring safeguards to the water entitlements of South Australia it was necessary to enshrine these new arrangements in the Murray-Darling Basin Agreement. This provides a superior form of protection, above contracts and licences, by incorporation in an Agreement endorsed by each of the Parliaments of the Australian Government and the Governments of South Australia, New South Wales and Victoria. It also ensured that whilst NSW and Victoria were making changes to their water entitlements, South Australian entitlements were afforded the highest protection.

The changes to the Murray-Darling Basin Agreement 1992, are detailed in the Murray-Darling Basin Agreement Amending Agreement 2002 and, following lengthy negotiations, that Agreement was approved by the Murray-Darling Basin Ministerial Council and later by First Ministers of the Australian Government and the Governments of New South Wales, Victoria and South Australia on 3 June 2002. South Australia did not sign the document until all necessary changes had been made to ensure an appropriate outcome for this State. The South Australian Premier signed the Amending Agreement on 14 April 2002.

Following discussions leading to South Australia signing the Murray-Darling Basin Agreement Amending Agreement 2002 a separate bilateral agreement between South Australia and Victoria was negotiated, resulting in the River Murray Environmental Flows Fund being established by Victoria and South Australia to improve the health of the River Murray in those two jurisdictions.

As part of the corporatisation process the Australian Government and the Governments of New South Wales and Victoria agreed to progressively restore up to 282 GL environmental flow; 212 for the Snowy River and 70 GL for River Murray. In the first seven years, and based on the contributions already committed by Governments, the intention is to get 140 GL of the Snowy River commitment and the full 70 GL commitment for River Murray; this latter amount being funded by the Australian Government’s contribution.

South Australia is not a signatory to this particular Snowy agreement and will not contribute financially to this goal. As a consequence, no specific funds are required as a direct consequence of the Murray-Darling Basin Agreement Amending Agreement 2002 although there are tangible benefits including returning flows to the river and the environment. South Australia is however financially committed to other River Murray initiatives that include The Living Murray – The First Step, which work towards retuning 500 Gigalitres of water to the river system.

Clause 6 of the principal River Murray Agreement, the Murray-Darling Basin Agreement 1992, requires that amendments to the Agreement be submitted to their respective Parliaments for ratification. This has occurred in the New South Wales, Victorian and Commonwealth Parliaments, and is now to be done in South Australia.

The continuing health of the River Murray is vital to the well being of all South Australians and the economic health of the State. It is also significant for the protection of certain endangered flora and fauna, wetland systems and heritage sites. Satisfactory progress and resolution of basin-wide river health issues with the other jurisdictions that have representation on the Murray-Darling Basin Ministerial Council will benefit South Australia, the downstream State by ensuring that the State’s water interests are protected.

South Australia continues to work with the other Governments of the Murray-Darling Basin to prevent further decline in river health that will potentially impact adversely on the River Murray and the riverine environment, and subsequently the South Australian community that either directly or indirectly, that are dependent on the river and the riverine environment for social and recreation pursuits as well as for water for domestic, industrial and agricultural purposes.

This Government is endeavouring to ensure a sustainable future for the Murray-Darling River system, a catchment that covers one seventh of Australia and includes five States or Territories. The Murray-Darling Basin Agreement and the South Australian Murray-Darling Basin Act 1993 are important examples of the cooperative arrangements that are required to progress this catchment wide issue across State borders. I commend the Bill to Members.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title This clause is formal.

2—Commencement The measure will be brought into operation by proclamation.

3—Amendment provisions This clause is formal.

Part 2—Amendment of Murray-Darling Basin Act 1993

4—Amendment of section 4—Interpretation This amendment—

(a) substitutes a new definition of Agreement so that it includes the Agreement as amended by the Amending Agreement; and

(b) inserts a definition of Amending Agreement, being the agreement the text of which is to be set out in new Schedule 2.

5—Insertion of section 5A This clause inserts a new section 5A into the Act providing that the Amending Agreement is approved by Parliament.

6—Substitution of heading to Schedule This is a consequential amendment.

7—Insertion of Schedule 2 This amendment inserts a new Schedule 2 into the Act. Schedule 2 contains the text of the Amending Agreement.

Mr HAMILTON-SMITH secured the adjournment of the debate.