



The Hon. David Littleproud MP

**Minister for Water Resources, Drought, Rural Finance,
Natural Disaster and Emergency Management
Federal Member for Maranoa**

Ref: MC19-006645

Mayor David O'Loughlin
President
Australian Local Government Association
8 Geils Court
DEAKIN ACT 2600

20 SEP 2019

Via email: alga@alga.asn.au

Dear Mayor

Thank you for your letter of 14 August 2019 requesting advice and comments on resolutions from the recent National General Assembly of Local Governments (ALGA) that fall within my portfolio responsibilities.

The Australian Government recognises the importance of reducing risks to Australian communities from natural disasters and of building safer and more resilient communities for when disasters occur. I am committed to ensure communities are well supported following a disaster. The Australian Government also works closely and cooperatively with the states and territories to ensure that recovery arrangements facilitate this support.

This drought is impacting how communities access water. The availability of water for critical human needs and for stock and domestic water is a critical challenge right now. As part of the ongoing drought response, the Australian Government is providing over \$7 billion in assistance and concessional loans to support those affected.

The Australian Government is building new water infrastructure to meet regional Australia's needs. We will provide more than \$3.3 billion, through the \$1.3 billion National Water Infrastructure Development Fund and the \$2 billion National Water Infrastructure Loan Facility. This funding will help identify and build dams, weirs and pipelines to deliver secure and affordable water for rural and regional Australia. The Deputy Prime Minister, the Hon Michael McCormack MP also announced on 14 September 2019 that the National Water Grid Authority (the Authority) would be established on 1 October 2019. The Authority will bring together national and international expertise to prioritise national water infrastructure across the country.

Attached for your information are detailed responses to ALGA's resolutions (Attachment A). I hope this information is of assistance to the ALGA Board, the local government sector and communities.

Thank you for bringing ALGA's resolutions to my attention.

Yours sincerely

DAVID LITTLEPROUD MP

Natural Disasters

Resolution 38 – *The National General Assembly call on the Australian Government to review and clarify the Natural Disaster Funding Arrangement for protective coastal infrastructure having regards for:*

- *The critical role that protective coastal infrastructure has in ensuring the social and economic functioning of coastal communities*
- *The changing climate and forecast increase in the frequency and intensity of coastal storm related events and coastal flooding*
- *The quantum of investment in protective coastal infrastructure across Australian by Local Government.*

The Australian Government recognises the importance of reducing risks to Australian communities from natural disasters, and building safer and more resilient communities for when disasters occur. We are committed to ensuring communities are supported following a disaster, and that we work closely and cooperatively with state and territory (state) governments to ensure the recovery arrangements facilitate this support.

State governments have primary responsibility for responding to natural disasters, including providing assistance to affected communities and local councils. The Australian Government provides support to the states through the jointly funded Commonwealth-State Disaster Recovery Arrangements (DRFA) to help with the costs of delivering certain relief and recovery assistance to disaster affected communities.

Importantly, the states are not bound by the DRFA and can make available whatever assistance they deem necessary, regardless of whether it is eligible for cost sharing under the program. In line with their responsibilities, states should provide other forms of assistance to help communities recover if there is a need.

In regards to Resolution 38, Category D of the DRFA allows for states to request additional assistance, such as environmental recovery measures. Such measures have been put in place to alleviate distress and damage following eligible natural disaster events to support regions, communities or sectors to recover.

Resolution 53 – *The National General Assembly call on the Federal Government to review the current Federal/State disaster arrangements to assess:*

- *The need to ensure that disaster recovery places most emphasis on infrastructure that improves flood resilience as compared to simple replacement of the infrastructure in place at the time of the flood*
- *The appropriateness of the current cost thresholds which trigger disaster arrangements and the degree to which these amounts are manageable by local government*
- *The role of the insurance industry in sending price signals, but also the impacts of those price signals on insurance affordability for existing landholders.*

The DRFA introduced new arrangements for reimbursing state governments for the reconstruction of essential public assets following an eligible disaster, thereby providing state and local governments with greater autonomy to deliver practical reconstruction

solutions best suited to local needs. Under Category B assistance measures of the DRFA, states can claim the cost of restoring a damaged essential public asset to its pre-disaster standard. For the purpose of the DRFA, pre-disaster standard is considered to be the condition of the essential public asset and its level of functionality (or utility) prior to the disaster, inclusive of specific building, design and construction standards, which are legislated by states.

The DRFA also introduced a framework designed to incentivise state and local government agencies to deliver their reconstruction projects more cost-effectively and, in certain circumstances, realise efficiencies that can be spent on natural hazard mitigation activities.

In addition, under Category D assistance measures, provisions are in place for states to request funding for the restoration of damaged essential public assets to a more disaster resilient standard than their pre-disaster standard. Such measures are designed to assist in making infrastructure and communities more resilient to the effects of natural disasters, allowing them to recover more quickly.

For a state to notify the Australian Government of a disaster under the DRFA, it must be an eligible natural disaster that requires a coordinated multi-agency response and where state expenditure is estimated to exceed \$240,000. The Department of Home Affairs is aware that some jurisdictions impose on their local governments thresholds triggering state disaster arrangements. The appropriateness of these state imposed thresholds is a matter between state and local governments.

In relation to the role of the insurance industry, the National Disaster Risk Reduction Framework (the Framework) calls for all sectors to work to diversify the variety of insurance products, better communicate these products, and address barriers to insurability. Insurance affordability is an issue the Australian Government is committed to addressing. This is why the Framework sets the agenda for the foundational work needed across all sectors to reduce existing risk, prevent new risk being created and ensure we have the information to do so.

To improve our ability to make risk-informed financial decisions, the Australian Government is also exploring the feasibility of establishing a national climate and disaster risk information capability to ensure climate and disaster risk information is both available and translated into decision-useful information. The Framework was publicly released in April 2019 and is available at:
<https://www.homeaffairs.gov.au/emergency/files/national-disaster-risk-reduction-framework.pdf>

Resolution 54 – *That this National General Assembly calls on the Australian Government to review the national Disaster Relief and Recovery Arrangements to consider broadening the definition of essential assets to include assets that are currently regarded as non-essential.*

This resolution particularly related to community infrastructure including sporting, recreational or community facilities (for example, playgrounds and associated facilities) essential for community wellbeing and social cohesion.

Essential public assets under the DRFA include state and local government owned public transport and infrastructure assets, such as roads, bridges, stormwater infrastructure, public hospitals, public schools and public housing. Through Category C assistance measures under the DRFA, states are able to request assistance for recovery measures that support a holistic approach to the recovery of regions, communities or sectors severely affected by natural disasters. Funding for such recovery measures may be made available to restore social networks, community functioning and community infrastructure including sporting, recreational or community facilities.

The Australian Government will continue to work with states through these joint cost-sharing arrangements to ensure that the needs of the community are being addressed in the recovery from a natural disaster. Recent examples of additional assistance measures provided under Category C and D of the DRFA across the social, built, economic and environment recovery domains is available at:

<https://www.qra.qld.gov.au/funding/Monsoon-Trough-DRFA242M-package>

Drought

Resolution 40 – *The National General Assembly calls for the drought affecting most of the country to be escalated to Natural Disaster status, thus facilitating Disaster Recovery finance arrangements to be enacted.*

Drought is a recurring part of the Australian landscape and our farmers are very experienced when it comes to preparing for and managing through periods of limited water availability.

Drought was removed from the joint Commonwealth-State Natural Disaster Relief and Recovery Arrangements in 1989, as it was found that a risk management rather than crisis management approach to drought would be more appropriate.

Since this time the Australian Government has been revising its approach to drought assistance, including through the National Drought Agreement and its predecessor the Intergovernmental Agreement on National Drought Program Reform, to help farmers better prepare for drought and other hardships, and manage their business risks.

Resolution 40A – *That this National General Assembly call on the Federal Government to provide more assistance to drought affected regional communities.*

As part of the ongoing drought response, the Australian Government is providing over \$7 billion in assistance and concessional loans to support those affected by drought. Support and assistance measures cover a range of areas including financial assistance, investment in infrastructure, rural and regional mental health, combating pests and weed impacts, making information easier to access, and increases to existing services such as the Farm Household Allowance and Rural Financial Counselling Service.

The Australian Government provides a range of support for drought-affected communities.

- \$110 million has been committed to drought-affected councils as part of the Drought Communities Programme (DCP) Extension in 2018-19 and 2019-20 to stimulate regional economies. Financial assistance aims to provide employment

for people whose work opportunities have been impacted by drought, use local resources, suppliers and businesses, and provide a lasting benefit to communities and the agricultural industries on which they depend.

- The Drought Community Support Initiative (DCSI) provided \$30 million to deliver immediate financial assistance to farmers, farm workers and farm suppliers/contractors in eligible DCP Extension areas. Delivered through three charity partners, the DCSI operated between December 2018 and June 2019 to provide up to \$3,000 in support to households experiencing financial hardship due to drought.
- \$15 million to the Foundation for Rural and Regional Renewal to deliver grants to not-for-profit and community groups in drought-affected regions under its Tackling Tough Times Together program.
- A \$5 million grant was provided to the Country Women's Association of Australia in 2018-19 to enable the organisation to continue providing financial assistance to farmers and farming families experiencing hardship due to drought. The funding was used to help people meet household expenses such as food and school expenses, at a maximum of \$3,000 per recipient.
- The Australian Government has coordinated Drought Community Outreach activities to bring together a range of Commonwealth and state government agencies, not-for-profit organisations, peak bodies, regional businesses and community members to create a coordinated, one-stop shop for drought and farm business assistance.

Australian Government support to farmers is based on preparedness, risk management and support in times of hardship, including drought, and is not dependent on where a farmer lives or on them being in a particular industry.

Detailed information on government assistance measures can be found at agriculture.gov.au/assistance. Details on support and information from a broad range of providers can be found at farmhub.org.au.

Resolution 63 – *That the National General Assembly call on the Minister to provide additional 'Drought Relief Payments' to regionally based child care centres, mobile pre-schools and Preschools to pass onto families as free pre-school places and attendance for 2-5 year olds.*

Drought and the related financial pressures felt by families in farming communities can impact on their ability to afford early childhood education. Enrolments can decrease which impacts the services available and their ability to continue to operate, employ staff and make continued improvements which in turn impacts the local community.

Additional Child Care Subsidy (ACCS)

The Additional Child Care Subsidy (temporary financial hardship) is a short term payment from the Australian Government that provides child care fee assistance at a higher rate to families who are experiencing significant financial stress due to circumstances outside their control, to ensure continuity of care and provide support to families when they need it most.

Families experiencing Temporary Financial Hardship are eligible to receive a subsidy equal to the actual fee charged, up to 120 per cent of the Child Care Subsidy hourly rate cap for up to 100 hours per fortnight, for a maximum of 13 weeks per event. Families do not have to meet activity test requirements.

Families can apply for the subsidy by accessing their Centrelink online account through myGov or by visiting a Centrelink office and applying in person. More information can be found on the Department of Education website at https://docs.education.gov.au/system/files/doc/other/12._what_is_the_accs_temporary_financial_hardship.pdf

Community Child Care Fund Special Circumstances

Community Child Care Fund (CCCF) special circumstances grants are one-off grants available to support the continuity of child care, in particular in disadvantaged or vulnerable communities, where service viability is affected by unforeseen circumstances outside the control of the service.

Child Care Subsidy (CCS) approved services affected by recent natural disasters are able to apply for grants of up to \$10,000 under a new streamlined process. Drought is considered an eligible event for the purposes of a CCCF special circumstances grant. Further information is available on the [CCCF special circumstances grant opportunity page](#).

Community Child Care Fund Business Support

Child Care Subsidy approved services in disadvantaged communities that are experiencing viability and/or sustainability issues may be eligible to receive [CCCF Business Support](#). This is a free service delivered through business advisors, who work with eligible services to identify ways to improve their financial viability and sustainability. This may include identifying cost drivers and potential savings, as well as helping services to transition to a more appropriate business and/or service delivery model.

Preschool

Under the Federation, preschool is the responsibility of state and territory governments, with Commonwealth funding through the Universal Access National Partnership a contribution to increase participation rates and ensure national consistency in the number of hours available. In this context, there may be grants available from state governments to support children to access preschool in drought affected areas. An example is the [NSW 2018 Drought assistance for preschools package](#).

Resolution 112 – that the National General Assembly calls upon the Federal Government to:

1. Increase aid to farmers and business affected by the current drought as it intensifies; and
2. That a transparent drought response policy be formalised with learning from the current drought, which includes proactive responses as well as reactive.

1. Across large parts of Australia, many farmers and rural communities are continuing to experience drought conditions. Our farmers are resilient, but are continuing to be tested in the face of challenging conditions, with the likelihood of drier months to come.

As part of the immediate and long-term drought response, the Australian Government is providing over \$7 billion in assistance and concessional loans to support those affected by drought.

2. The Australian Government is continuing to prioritise long-term national drought policy and strategy and is considering the advice provided by the Coordinator-General for Drought, Major General Stephen Day, DSC, AM.

Existing drought support and assistance measures already cover a range of areas but through ongoing collaboration and proactive initiatives, the Government aims to achieve more enduring outcomes for rural and regional communities.

The Australian Government is establishing the Future Drought Fund to provide permanent long-term support for farmers and rural communities to help them prepare for inevitable future droughts. The Fund, which will focus on resilience, preparedness and response, begins with an initial credit of \$3.9 billion with earnings to be reinvested until the balance reaches \$5 billion (expected in 2028-29).

From 1 July 2020, \$100 million will be made available annually to support Australian farmers and communities to become more prepared for, and resilient to, the effects of drought.

Through grants or other arrangements, the Fund is intended to support a wide range of drought resilience measures to benefit all Australians. This includes investment in research and innovation, research extension, the adoption of new technology, improved environmental and natural resource management, infrastructure and community initiatives. The investment will help lift the productivity and profitability of the agriculture sector and enhance the health and sustainability of our farming landscapes.

On 12 December 2018, the Council of Australian Governments agreed and signed a new National Drought Agreement (NDA). The NDA recognises the need to support farming businesses and farming communities to manage and prepare for climate change and variability. It focuses measures across all jurisdictions on bolstering risk management practices and enhancing long-term preparedness and resilience.

It is anticipated that Australian Government initiatives, including the Future Drought Fund, will make a significant contribution to progressing the objectives of the NDA.

Resolution 113 - That the National General Assembly calls on the Federal Government to provide ongoing assistance for drought preparedness in the form of low interest innovation, water infrastructure and drought assistance loans, training and professional development in

business management for farmers and continued support for Rural Financial counsellors to work with farmers long term, with the understanding that drought is part of the normal cycle of farming and needs to be planned for.

Regional Investment Corporation - The Australian Government established the Regional Investment Corporation (RIC) to administer the Commonwealth's farm business concessional loans and the National Water Infrastructure Loan Facility. The RIC opened for business on 1 July 2018.

The RIC lends to farm businesses that are in financial need but financially viable in the long term. Its loans help eligible farm businesses improve their long-term strength, resilience and profitability. The RIC currently offers the following farm business loan products:

- Drought loans to help eligible farmers prepare for, manage through and recover from drought.
- Farm investment loans to help eligible farmers build and maintain diversity in the markets they supply, and take advantage of new and emerging opportunities across Australia and overseas.
- AgRebuild loans to help farmers to restock, replant and recover following the North Queensland floods of January and February 2019.

A further two farm business loan products are currently being developed:

- AgriStarter loans will be available to assist farmers in purchasing farm businesses and undertaking activities identified in succession planning processes.
- A new Drought Restocking and Replanting loan (in addition to the RIC's existing drought loans) will further assist farm businesses recover from periods of drought, with farmers able to borrow up to \$200,000 for restocking and replanting. This will assist farmers in rebuilding and restoring their business.

Water infrastructure - The Australian Government has committed \$3.3 billion in funding – the \$1.3 billion National Water Infrastructure Development Fund and the \$2 billion National Water Infrastructure Loan Facility – to build dams, weirs and pipelines.

The Australian Government also provides the on-farm emergency water infrastructure rebate scheme, which allows eligible farmers to claim up to 25 per cent of expenses associated with purchases and installation of new on-farm water infrastructure.

Training and professional development - Under the National Drought Agreement, state and territory governments have a role in encouraging the delivery and uptake of programs to improve farming business skills and decision making. States and territories already have existing training and development programs in place.

RFCS - The Rural Financial Counselling Service (RFCS) is a long-standing Australian Government program, co-funded by states and the Northern Territory. It has been helping primary industries since 1986. Current funding agreements are in place until 30 June 2020. Arrangements past this date are under consideration, however, the

RFCS is a permanent program in the Australian Government Budget. The Australian Government has allocated more than \$77 million in funding to the RFCS program from 1 April 2016 to 30 June 2020. More than \$20 million is added through the co-funding arrangements.

The RFCS delivers a critical service to farming communities through free financial counselling to eligible clients when they need it most. Eligible client groups are: farmers, fishers, forestry growers and harvesters, and small, related businesses (such as harvesting contractors). Farmers comprise approximately 95 per cent of all clients.

The services the RFCS provides includes:

- identifying financial and business options
- preparing for meetings with lenders
- information about other assistance schemes
- helping people apply for Farm Household Allowance, and supporting them to reach their goals while on payment
- referrals to accountants, agricultural advisors, educational services and mental health services.

Resolution 114 – That the National General Assembly calls on the Federal Government to develop options (in partnership with local governments, state governments, bulk water providers and water retailers) that improve drought resilience across Australia – particularly with regard to the agricultural sector – through more efficient storage, movement and use of all types of water, including recycled water and storm/rain water.

The provision and management of water resources, including water infrastructure, is primarily the responsibility of state and territory governments. The Australian Government's role in water resource management focuses on national leadership and cooperation with state and territory governments. This includes supporting states and territories to identify and build water infrastructure to provide secure and affordable water to underpin the growth of regional economies and communities, and alleviate the impacts of drought.

The Australian Government is committed to build new water infrastructure to meet regional Australia's needs. It will provide more than \$3.3 billion in funding, through the \$1.3 billion National Water Infrastructure Development Fund and the \$2 billion National Water Infrastructure Loan Facility. This funding will help identify and build dams, weirs and pipelines to deliver secure and affordable water for rural and regional Australia. To date, the Government has committed more than \$990 million to build 21 water projects with a total construction value of more than \$1.98 billion.

The Australian Government is also establishing the National Water Grid Authority (the Authority). The Authority will deliver on the Government's election commitment to invest \$100 million and bring together world-best science and identify opportunities to increase water supply and reliability. The Australian Government is committed to the sustainable development of Australia's water resources and integrating our water infrastructure to support the growth of regional Australia and demands of a growing population.

Resolution 115 - *That the National General Assembly calls on the Australian Government to simplify administrative arrangements for Federal drought related funding for local government to ensure more flexibility and more appropriate time periods for local governments to prepare project applications to assist those people and communities affected by drought.*

The Drought Communities Programme (DCP) supports communities in the most drought-affected regions of Australia. The purpose of the DCP Extension is to provide immediate economic stimulus in communities facing hardship, and to support projects that provide local employment and keep money flowing through local shops and suppliers. Grant Opportunity Guidelines aim to ensure that projects under the DCP Extension meet these objectives. This includes ensuring that projects can be started and completed within a 12 month period. Extensions have been provided for those local governments that have experienced extenuating circumstances and have not been able to deliver their projects by the expected completion date.

The Australian Government is constantly monitoring drought conditions across the country and will continue to review the DCP Extension, as well as other drought relief programs to ensure appropriate and timely assistance to communities.

Water

Resolution 41 - *That this National General Assembly calls on the Federal Government to continue to promote opportunities for the sustainable delivery of water for urban, commercial and agricultural development and security of current supplies and call on the Federal Government to amend legislation and regulations to allow for immediate funding for capital projects where business cases have been completed and approved by state governments and water authorities.*

The regulation and management of water resources, including the construction of new water infrastructure, is primarily the responsibility of state and territory governments. However, the Australian Government is supporting states and territories to identify and build water infrastructure to provide secure and affordable water to underpin the growth of regional economies and communities, and alleviate the impacts of drought. This includes \$3.3 billion through the \$1.3 billion National Water Infrastructure Development Fund and \$2 billion for the National Water Infrastructure Loan Facility. The Australian Government's investment includes \$990 million to build 21 projects that have a combined construction value of more than \$1.98 billion.

The Australian Government is establishing the National Water Grid Authority. The Authority will work in partnership with the states to develop a pipeline of strategic water infrastructure initiatives to increase the capacity, connectivity and resilience of Australia's water storage and supply infrastructure to help support the agricultural sector grow to \$100 billion by 2030 and meet the needs of a growing population.

Resolution 42 – *That the National General Assembly call on the Federal and state government ministers to address the urgent need for action on the Darling Barwon river system to ensure that the supply of safe drinking water and flows for stock and domestic use is the priority at all times, including priority over and above the release of water from dams*

for large scale irrigation, irrespective of the circumstances in which allocations have been pre-purchased or pre-allocated for large scale irrigation.

The Australian Government recognises that the drought is impacting the accessibility of water for many communities. The availability of water for critical human needs and for stock and domestic water is a critical challenge right now, as well as for maintaining environmental assets across the Murray-Darling Basin. The Barwon-Darling river system and its communities is one of the largest areas in the Basin experiencing prolonged dry conditions.

Currently, there are provisions set out in the *NSW Water Act 2000* and the *Barwon Darling Unregulated and Alluvial Water Sharing Plan* that give priority to water availability for critical human needs, which includes drinking water. These documents set out the water requirements for the environment, basic landholder rights (stock and domestic), native title rights and harvestable rights. However, the NSW Natural Resources Commission recently released a report into the *Barwon Darling Unregulated and Alluvial Water Sharing Plan* which found that basic landholder rights are not effectively protected (chapter 7.1 refers). The Commission found that the provisions as implemented do not sufficiently protect water for these rights, including those associated with native title. The Commission also found that there is spatial inequity, with upstream landholders having greater access compared to those downstream.

The NSW Government is currently developing a new water resource plan for the Barwon Darling that sets out arrangements to share water for consumptive use. We understand that in developing this plan, the NSW Government is considering the introduction of individual daily extraction limits that should help address downstream equity and improve access for basic landholder rights. More information about the NSW Government's water reform action plan is available at: www.industry.nsw.gov.au/water-reform or by calling (02) 9338 6600.

Water quality matters relating to human health are overseen by the Australian Government and state and territory government health departments. The Australian Drinking Water Guidelines provides guidance to water regulators and suppliers on monitoring and managing drinking water quality.

The independent assessment of the fish deaths in the lower Darling in 2018-19 (the Vertessy Report 2019) highlighted the importance and need to protect low flows in the Barwon-Darling system. As part of the Australian Government's comprehensive response, we have committed to consult with the local communities and work with the NSW government to secure low flows for the river. More information about the Vertessy Report and the Australian Government's response is available at: <http://www.agriculture.gov.au/about/reporting/obligations/government-responses/vertessy-report>

Resolution 43 - *That the National General Assembly actively lobby the Prime Minister and Leader of the opposition to call for a Royal Commission into the Murray-Darling Basin.*

The Australian Government does not support calls for the establishment of a federal Royal Commission as this would divert valuable resources from the important task of implementing the Basin Plan. There have already been several recent Parliamentary inquiries into the Murray-Darling Basin, a number of state and Commonwealth reviews, the South Australian Royal Commission and independent assessments for Basin governments to consider. In particular, the Australian Government has recently released its response to the Productivity Commission's 5-yearly inquiry into the Basin Plan, which can be viewed at: <https://www.pc.gov.au/inquiries/completed/basin-plan#report>

The Australian Government is committed to implementing the Basin Plan in full. So far, more than 2,100 gigalitres of water on average per annum has been secured for the environment under the Basin Plan. The Government also remains committed to continuing its open and ongoing dialogue with Basin states, stakeholders and communities to ensure the successful implementation of the Basin Plan.

Resolution 44 - *That the National General Assembly call on the Minister for Agriculture and Water Resources and the Murray-Darling Basin Authority to do complete accounting of all water storages, including open channels, diversions and on-farm storages holding unmetered or temporary water.*

The Murray–Darling Basin Authority (MDBA) aims to manage the sustainable use of the Basin's water resources in a manner that protects the environment, its communities and the industries that depend on it. Dam operations and water distribution along the Murray and Darling River tributaries and irrigation structures are undertaken by state agencies and water authorities, with arrangements varying between the five Basin states and territories. Information on water storage in the Murray–Darling Basin can be found on the MDBA's website at: <https://www.mdba.gov.au/managing-water/water-storage>

Water is used for a wide range of purposes across the Murray–Darling Basin. Water from rivers, lakes and underground is used by communities, farmers and industries. A significant amount of water stays in the system or is 'lost' through evaporation and seepage. Evaporation rates in the Basin are high — 94 per cent of rainfall in the Basin is used by plants, or evaporates from land and water storages.

For many years, Basin state governments have regulated and monitored water diversions through their own compliance systems and under the Cap on Diversions. A new system of water limits will come into effect in 2019. During the transition period from Basin Plan commencement in 2012 to Sustainable Diversion Limit (SDL) enforcement in 2019, the MDBA has been trialling the methods underpinning SDL compliance. This trial, which includes water take and storage data, is published annually in transition period water take reports at: <https://www.mdba.gov.au/publications/mdba-reports/transitional-sdl-water-take-reports>

This new phase is an integral part of implementing the Basin Plan. There are many forms of water use that will be fully accounted for under the new limits. These include:

- drinking and domestic water
- industries
- irrigated agriculture
- water for the environment
- water for stock
- conveyance water
- return flows
- mining.

Accounting for water use is complex. The new system focuses on SDLs. Each region in the Basin has its own SDL. SDLs are how much water, on average, can be used in the Basin by towns and communities, farmers and industries. SDL accounting assesses compliance of Basin-wide water take at a catchment level on an annual basis. Basin state governments will be monitoring water usage annually, and reporting against the SDL to the MDBA. The MDBA therefore does not assess compliance at an individual level – this is the responsibility of state governments.

The MDBA recognises that people in the Basin are particularly concerned about unmeasured water extraction and water metering. Over the past couple of years significant progress has been made in aligning the compliance work of state governments with the Basin Plan and the Water Act 2007. As the regulator, the MDBA makes sure Basin state and territory government processes are robust and gives people in the Basin every opportunity to do the right thing. This year, the MDBA will also be in the field doing site inspections and meter coverage reviews in each Basin state.

Work is also underway New South Wales and Queensland to gain a better understanding of water that is harvested from floodplains. This is part of the commitment to review floodplain harvesting following the MDBA's Compliance Review in 2017. Most floodplain harvesting is currently unaccounted for, meaning Basin governments do not know how much of this water is used. Licensing this water use will bring floodplain harvesting into the regulated system, improving compliance and accounting of water use in NSW and Queensland. More information on the MDBA's approach to water accounting can be found on the MDBA's website at: <https://www.mdba.gov.au/basin-plan-roll-out/sustainable-diversion-limits>

Resolution 45 - *That the National General Assembly call for an immediate assessment and complete public reporting of all groundwater Basin supplies, storages and recharge capabilities from the Minister for Agriculture and Water.*

Groundwater is used across the Murray–Darling Basin for a variety of purposes including town water, irrigation, industry and stock and domestic supply. The use of groundwater varies from supplementing surface water supplies to communities and

industry that are entirely reliant on groundwater. During drier periods, the relative importance of groundwater increases and is especially important for regional communities.

Groundwater management in the Basin is not a new concept. However, like all aspects of water management it is constantly evolving as new information becomes available. Each of the Basin states (New South Wales, Queensland, South Australia, Victoria and the Australian Capital Territory) has a groundwater licensing and management framework in place.

The MDBA works with Basin state governments to monitor and manage the Basin's groundwater resources to make sure they are healthy and productive. Groundwater resource monitoring looks at changes in the water level or pressure in a groundwater resource. This tells water managers the amount of water that:

- can be sustainably taken from groundwater systems
- is flowing into (recharging) groundwater systems.

The Basin Plan sets sustainable diversion limits for each groundwater system in the Basin. These limits are how much water, on average, can be used in the Basin by towns, communities, industry and farmers, while leaving enough water in the system to sustain natural ecosystems. During the transition period from Basin Plan commencement in 2012 to SDL enforcement in 2019, the MDBA has been trialling the methods underpinning SDL compliance. This trial, which includes groundwater take data, is published annually in transition period water take reports at: <https://www.mdba.gov.au/publications/mdba-reports/transitional-sdl-water-take-reports>

The transition period water take reports show that groundwater use across the Basin is currently significantly lower than the sustainable diversion limit with more than two-thirds of the SDL resource units having use levels 50 per cent below the limit. There is little evidence of increased groundwater use at the Basin scale over the past six years and it is unlikely that use in the Basin will reach the limits in the coming decades.

However, there have been consistent localised water level declines in some groundwater SDL units over the past 20–30 years. Basin state governments have or are in the process of providing mechanisms to manage localised groundwater level decline risks through the development of water resource plans. The MDBA will analyse and report on groundwater use across the Basin in response to Basin state governments annual reporting. The analysis will include considering state monitoring data against localised groundwater level decline risks. More information on the MDBA's approach to groundwater management can be found at <https://www.mdba.gov.au/basin-plan-roll-out/groundwater>

Resolution 46 - *That the National General Assembly request the Commonwealth Government to create a national strategy to enhance water security in inland Australia.*

Agreed by Council of Australian Governments in 2004, the National Water Initiative (NWI) sets out the basis on which freshwater resources are to be shared to support

resilient and viable communities, healthy freshwater ecosystems and economic development. The NWI commits governments to set limits on both surface and groundwater allocations to ensure the long term protection of water dependent ecosystems. The NWI is a long term commitment that is collaboratively delivered by the Commonwealth and state and territory governments.

The Australian Government is also establishing the National Water Grid Authority (the Authority). The Authority will deliver on the Government's election commitment to invest \$100 million and bring together world-best science and identify opportunities to increase water supply and reliability. The Government is committed to the sustainable development of Australia's water resources and integrating our water infrastructure to support the growth of regional Australia and meet the demands of a growing population. The new Authority and major water infrastructure development is the responsibility of the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, the Hon. Michael McCormack MP.

Resolution 47 - *That the National General Assembly call on the Minister for Trade to do a complete public report detailing all foreign investment and holdings in Australian water industries, infrastructure and trading operations.*

Foreign investment is an important contributor to growth, productivity and jobs in Australia's agricultural sector. The Australian Government recognises that it is important to ensure that foreign investment is not contrary to the national interest. The Government has increased the scrutiny and transparency of foreign ownership in the agricultural sector. In 2015, the Government introduced the Foreign Ownership of Agricultural Land Register requiring foreign persons to report on their interests in agricultural land. The Government has also added reporting requirements for foreign owners to register their water interests with the Australian Taxation Office each year. Penalties apply for failure to register.

The first annual report of the Register of Foreign Ownership of Water Entitlements was released on 1 March 2019 and provides greater transparency about the level of foreign ownership of Australia's water entitlements. The report showed foreign persons, including corporations, held interests in 10.4 per cent of water entitlements on issue across Australia. The figure was slightly lower in the Murray-Darling Basin at 9.4 per cent. This figure corresponds to the level of foreign ownership of agricultural land of 13.4 per cent as at 30 June 2018.

The United States of America, China and the United Kingdom are Australia's largest foreign water entitlement holders, holding between 1.1 per cent and 1.9 per cent of total water entitlements on issue. The greatest usages of foreign held water entitlements are for agriculture, accounting for 66.5 per cent, and mining at 26.3 per cent.

Foreign investment approval may be required before a foreign person can invest in agricultural land or water and the Australian Competition and Consumer Commission has a role monitoring the behaviour of participants, both Australian and foreign owned, in water trading and water markets.

Resolution 48 - *That the National General Assembly call on the Prime Minister, Leader of the Opposition and Water Minister to recognise concerns from Indigenous groups, traditional owners and custodians that:*

- *They are unable to continue cultural practices due to lack of cultural flows*
- *There is an increased financial impost on high Indigenous population towns for drinking water, where some is unavailable, or of poor quality*
- *A lack of genuine, integrated and informed consultation has been the norm in matters of water management and projects which directly affect native title holders, traditional custodians and Land Council groups and individuals, combined with the lack of feedback or minutes from meeting with government representatives and agencies*
- *Local First Nations people hold knowledge from greater timelines than current records about flows, floods, movement and interplay of the entire riverine ecology, yet there is a resistance to engaging with that knowledge, utilising the skills and management practices used for many centuries (45,000 years in our region), despite clear desire from most groups to assist and play a more active role in water and land management.*

The Australian Government recognises the concerns of Indigenous groups, Traditional Owners and custodians regarding cultural water management. In December 2018, the Murray–Darling Basin Ministerial Council agreed to appoint a standing Aboriginal member to the Board of the Murray–Darling Basin Authority to provide expertise on Indigenous matters. Legislation to amend the Water Act 2007 to provide for an Indigenous Authority member was introduced into Parliament on 4 July 2019 through the Water Amendment (Indigenous Authority Member) Bill 2019. At the December 2018 meeting, Ministers also endorsed the establishment of a Community of Practice to share information, build Aboriginal water policy skills, and identify gaps and opportunities for engaging Aboriginal people in the management of water in the Basin. Basin governments are looking to establish a meeting to scope out the work required for this Community of Practice by the end of this year.

The Australian Government's Murray-Darling Basin Aboriginal Water Entitlements Program will provide \$40 million over four years to assist Basin Indigenous communities' self-determination through investment in water for cultural and economic activities and associated planning activities. The \$40 million will be allocated equally between the northern and southern Basins, with each receiving \$20 million. Leveraging the knowledge of Indigenous communities and peak Indigenous stakeholder groups through consultation will be central to this program.

Resolution 49 - *That the National General Assembly calls on the Federal Government to provide incentives for rural/regional Councils to create micro systems which allow for effective and efficient water storage and management systems to accommodate domestic use.*

The regulation and management of urban water resources, including the construction of new water infrastructure, is the responsibility of state and territory governments. However, the Australian Government is supporting states and territories to identify and build water infrastructure to provide secure and affordable water to underpin the growth of regional economies and communities and alleviate the impacts of drought.

The Australian Government is committed to build new water infrastructure to meet regional Australia's needs. It will provide more than \$3.3 billion in funding, through the \$1.3 billion National Water Infrastructure Development Fund and the \$2 billion National Water Infrastructure Loan Facility. This funding will help identify and build dams, weirs and pipelines to deliver secure and affordable water for rural and regional Australia. To date, the Government has committed more than \$990 million to build 21 water projects with a total construction value of more than \$1.98 billion.

The Australian Government is also establishing the National Water Grid Authority (the Authority). The Authority will deliver on the Government's election commitment to invest \$100 million to bring together world-best science and identify opportunities to increase water supply and reliability. The Government is committed to the sustainable development of Australia's water resources and integrating our water infrastructure to support the growth of regional Australia and the demands of a growing population.

Resolution 50 - *That the National General Assembly calls on the Australian Government to undertake to:*

1. *Develop an Urban Water Policy and an Integrated Water Management Strategy for the Greater Sydney region (and other cities) addressing water security solutions and best practice water management principles for urban areas.*
2. *Incorporate best practice Water Sensitive Urban Design model provision/Sustainable Urban Water Management Principles into the standard planning instruments (LEP/DCP or equivalent).*
3. *Review BASIX (or equivalent) to enhance and ensure the best practice implementation of Water Sensitive Urban Design into all new developments and retrofitting into existing developments.*
4. *Commit to a long-term investment program for the management and maintenance of water infrastructure in cities.*
5. *Introduce a standard requiring water utilities, as a minimum, to undertake a secondary treatment of sewage released from ocean outfalls.*

State and territory governments are responsible for urban water services within their respective jurisdictions, including planning. Nevertheless, resilient and effective institutional arrangements have been identified by numerous reports, including the Productivity Commission's 2017 triennial assessment of the National Water Initiative, as a prerequisite for safeguarding long-term water security and better leveraging opportunities for Integrated Water Cycle Management. The Australian Government is working with state and territory governments to progress urban water reform focusing on governance, regulation and competition.

Technology is not a limiting factor in achieving alternate water supply options. However, all options are currently not on the table. I encourage local governments to review local planning laws to maximise the use of all available water sources.