

Labor's national plan to tackle the water crisis



New Leadership.

Labor's national plan to tackle the water crisis

Election 2007

Policy Document

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Labor's national plan to tackle the water crisis

Overview

Australia is confronting a national water crisis.

Australia is the world's driest inhabited continent, but for too long, we have taken fresh water for granted.

Now, drought and climate change are causing massive hardship.

Urgent action is needed from all governments, all industry and all Australians to change the way we use and value water.

We use more water per head of population than any other country on the planet. Our limited water supplies have been over-allocated, undervalued and misdirected – right across our nation.

For Australians to adjust to climate change and continue to prosper, our attitude and behaviour towards water must change. We are running out of time.

The Federal Government has an important leadership role in ensuring each and every Australian, wherever they live, has a secure supply of water.

We must ensure more efficient water use in our cities, our towns and on our farms to improve water security and to protect our stressed river systems and our environment.

To do this Australia needs a national water plan.

This is not just another drought.

This is a national crisis, and it has not occurred overnight.

The Prime Minister has ignored water issues and denied climate change for 11 years, and is only now taking an interest - just before an election.

On 25 January, the Prime Minister announced the \$10 Billion National Plan for Water Security – and he did so without consulting his Cabinet, the Treasury, the National Water Commission, our farmers, or our State and Territory Governments.

The Prime Minister got the headline right, but the detail wrong.

The Government's latest Budget revealed that only \$53.8 million - or one half of one per cent - of the \$10 billion, has been committed this financial year to begin reversing over-allocation of water entitlements and modernising farm irrigation.¹ This is woefully inadequate.

Given the immediate crisis, funding to sort out the problems in the Murray-Darling basin should be front end-loaded, not geared to the last seven years of the Howard 10-year plan, as the Government proposes.

It will cost less to sort out problems sooner rather than later.

If we don't restore the health of our river systems as quickly as we can, then the communities, farmers and industries that rely on them will suffer grievously. And unless we act now, essential water supplies to Adelaide from the Murray River will be put seriously at risk.

Labor's fresh approach to the water crisis includes measures to:

- Invest in more efficient and sustainable irrigation and farming throughout Australia.
- Work with households and business to conserve water in our towns and cities and to invest in water infrastructure.
- Promote the capture of storm water and the use of recycled water, especially by industry.
- Promote new sources of water not dependent on rainfall, such as desalination.
- Protect our rivers, waterways and natural environment.
- Invest in water infrastructure in the Murray Darling Basin.
- Begin reversing licence over-allocation by buying water entitlements from willing sellers.
- Bring forward \$400 million of spending under the \$10 billion plan to fast-track action to secure water.

We believe there is an important cooperative role for the Commonwealth in transforming the way we secure water supplies and reduce our water demand.

A Rudd Labor Government will tackle the water crisis with a national plan to invest in water infrastructure, sustain our farmers, revitalise our rivers and waterways, secure water supplies and adapt to climate change.

Australia's water crisis

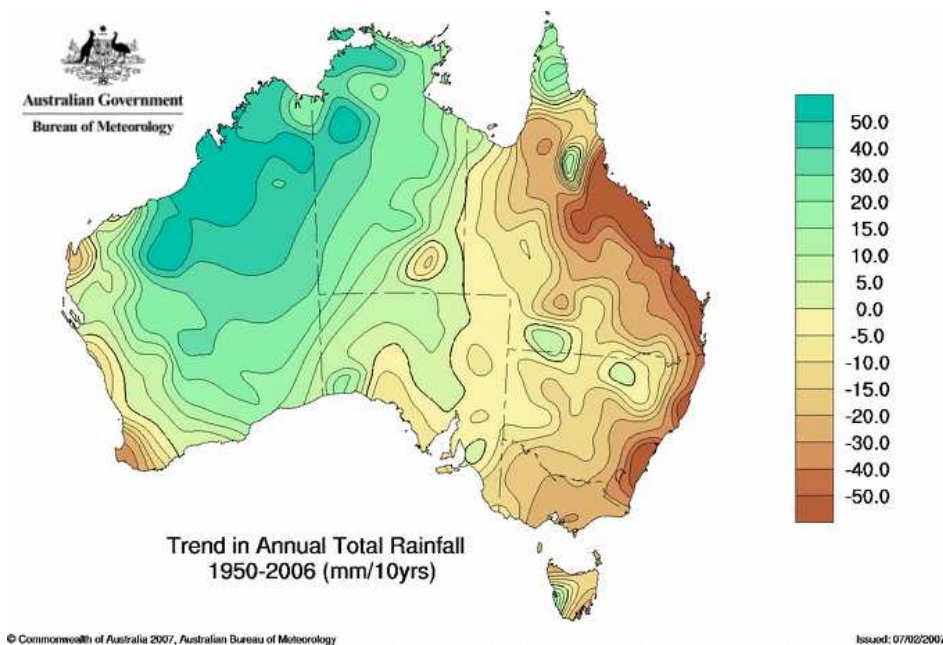
Securing a sustainable water supply for all Australians is one of the most important challenges facing Australia.

Supply from traditional sources is diminishing as climate change starts to alter rainfall patterns and push up temperatures – particularly across the south east of Australia where our population is concentrated.

The map below shows the drying of Australia since 1950. It is important to note the reduction in rainfall in the high population urban areas in eastern Australia and southwest Australia. The regions where it is getting drier are where most of us live and where we grow most of our food.

The CSIRO is projecting further drying in these areas.

MAP 1: TRENDS IN ANNUAL TOTAL RAINFALL 1950-2006



Source: http://www.bom.gov.au/cgi-bin/silo/reg/cli_chg/trendmaps.cgi

Demand on already stretched water supplies is growing as population increases and our economy grows.

We can no longer take water supply for granted. The Federal Government has a critical role in catalysing the changes necessary to ensure a long-term, sustainable water supply for all Australians, no matter where they live.

With rising temperatures and decreasing soil moisture due to increased evaporation, the natural efficiency of inland water catchments is declining. There is increasing evidence that small reductions in rainfall lead to much larger reductions in run-off. Below a certain level of rainfall, catchments may absorb all rainfall and produce no run-off.

Securing future water supply

Years of low rainfall and record high temperatures have severely depleted water supplies and cut soil moisture across Australia. This has particularly been the case in southern Australia in our major urban areas and in the Murray Darling Basin.²

The health of our rivers and wetlands is rapidly declining and rural and regional communities are suffering.

All Australians have felt the effects of water shortages through increased food prices and water restrictions.

The water supply systems of mainland capital cities are under current and growing strain.

Water scarcity in towns and cities is a growing public policy challenge.

The majority of water supplies for urban areas are sourced from dams in inland catchments.

Other sources of water in our cities, such as rainwater, stormwater, wastewater and desalinated seawater, are not fully exploited and nor are opportunities to reduce water wastage.

Declining health of our rivers and waterways

There have been consistent warnings about the declining health of our rivers and waterways.

"The increasing demand for water is placing significant pressure on Australia's inland water systems. The situation has been exacerbated by the recent drought, with uncontrolled growth in groundwater use in many catchments. ... This extra pressure on already stressed river systems has had serious impacts on biodiversity in some regions".

Australia State of the Environment 2006

Diminishing river flows in the Murray Darling Basin directly affect the health of the farm sector, the rural communities that rely on agriculture for their survival and the health of the river's natural environment.

According to the Murray-Darling Basin Commission, more than 95 per cent of the river length is in a degraded environmental condition.

There has been a reduction in the areas of healthy wetland and the number of native fish, while salinity levels have risen and algal blooms have increased in frequency.³

A survey in 2004 of river red gum and black box health in the Lower Murray showed that 75 per cent of all trees surveyed were considered to be stressed, near dead or dead.⁴

Only 25 per cent of trees surveyed were considered to be in a healthy condition.

Comparing these results to a survey conducted two years earlier showed that tree health had continued to decline over that period.⁵

2006 was the driest year on record, but 2007 may beat it. System storages are around 1200 billion litres lower than October 2006

According to the Murray-Darling Basin Commission, more than 95 per cent of the river length is in a degraded environmental condition

Perhaps the most graphic symptom of the poor health of the Murray Darling Basin is the Murray mouth closing from lack of flows to the sea. In 2002, a single dredge was placed at the mouth to keep it open and a second dredge was added in 2003.

Reduced flows are increasing salinity and encouraging weeds that remove oxygen from the water and kill hundreds of fish.⁶

Salinity levels in the system are rising dramatically - quite literally killing parts of the Murray and Darling Rivers with salt.

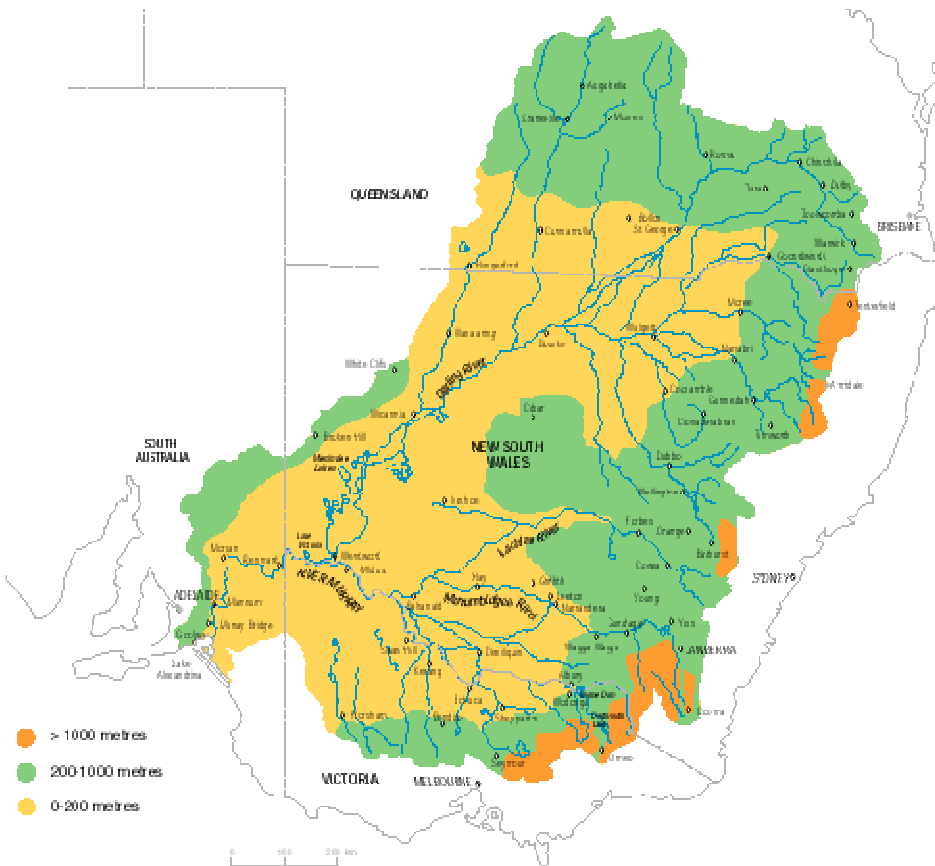
Lake Alexandrina at the end of the Murray is already experiencing salinity levels that are double the level at which adverse economic impacts kick in and the problem is getting worse.

Rivers in urban areas are important for the quality of life of many Australians, and rivers such as the Cooks River in Sydney and the Maribyrnong River in Melbourne are under stress from industrial and stormwater pollution.

The Murray Darling Basin

The Murray Darling Basin is Australia’s food bowl and the Murray and Darling Rivers are the lifeblood of three million Australians, including Adelaide.

MAP 2: THE MURRAY DARLING BASIN



Salinity levels in the system are rising dramatically - quite literally killing parts of the Murray and Darling Rivers with salt

Murray Darling Basin Commissions 2007

The health of the rivers in the Murray Darling Basin is not negotiable, and their plight is urgent.

The health of this system directly impacts the health of the farm sector and the rural communities that rely on agricultural production.

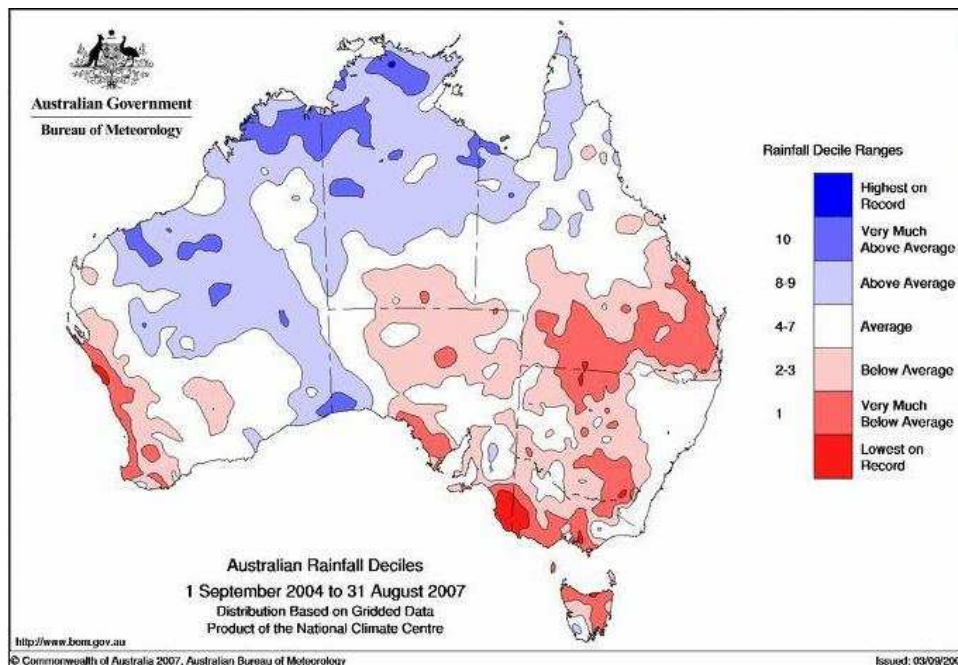
Water levels in the Murray River are at their lowest level since records started being kept 100 years ago.⁷

2006 was the driest year on record, and 2007 is shaping up to be worse. System storages are around 1200 billion litres lower than last year.⁸

According to the Bureau of Meteorology, 2007 is the first time since 1900 that an El Niño drought in the Murray Darling Basin has not been followed by above normal rainfall.

The following map shows that most of the Basin has received below average rainfall over the last four years.

MAP 3: AUSTRALIAN RAINFALL 2004-2007



Source: Bureau of Meteorology 2007

Scientists have been warning the Federal Government for years that we need to use water more prudently in the Basin.

In 2003, scientists told us that to have a good chance of restoring health to the River Murray there is a need for greater environmental flows – with an average additional 1,500 billion litres of water needed.⁹

In January 2008, the CSIRO will provide its much anticipated report on Sustainable Water Yields in the Murray Darling Basin. It will help inform efforts to address over-extraction and to tailor efforts to the different circumstances of the Murray and Darling Rivers.

11 years of complacency on water policy

The Keating Labor Government led the historic COAG agreement in 1994 – setting out principles for water reform - but there has been little real progress since then.

It took 10 years for the landmark 1994 COAG agreement to lead to the National Water Initiative in 2004.

The National Water Initiative builds on the 1994 COAG agreement and puts public and environmental needs into an economic system – it attempts to establish structures to manage growing demand for water and a diminishing supply, in a way that uses water efficiently and productively.

The principles behind the National Water Initiative are therefore very sound.

However, despite national water reform being touted as a priority for the Howard Government and despite the framework being put in place, in practice there is little to show for it over the past 11 years.

Federal Labor offered bipartisan support for the 2007 National Plan for Water Security, but noted that it was essentially a continuation of the 1994 COAG agreement led by the Keating Labor Government 13 years ago.

Federal Labor welcomed the Howard Government's intervention with the National Plan for Water Security, but it should not have taken an election year to provoke a response from the Government to the water crisis. The need for action in implementing the Plan is now urgent.

We face the prospect of massive losses of permanent plantings in the lower part of the Murray Darling Basin and precious water supplies are being diverted to ensure communities have enough water to keep them going.

In the 2004 and 2006 Budgets, the Howard Government committed a combined total of \$750 million to return water to the Murray Darling river system under the Living Murray program.

But, as of August 2007, not a single drop of water or a single water entitlement has been recovered using that Commonwealth funding.

The challenges for agriculture

Labor acknowledges the achievements to date of farmers in water conservation and taking steps to adjust to climate change, and Labor notes initiatives such as the Victorian Food Bowl Project where farmers and the Victorian Government are working together to improve water efficiency.

Farmers have achieved a lot in water conservation and are taking steps to adjust to the impact of climate change, but the drought is a harsh reality and more needs to be done to help farmers and rural communities adjust to the impacts of climate change.

Policies need to be put in place to ensure a sustainable future for irrigation and agriculture, especially in the Murray Darling Basin.

The Murray Darling Basin is Australia's food bowl and a major generator of export income and jobs.

Labor recognises that
the time for
adjustment is long
overdue

Unless it rains heavily
soon, many of our dams
will empty

In 2006, water allocations to irrigators in the Southern Murray were at record lows.

At Deniliquin in NSW, Murray Irrigation closed down water supplies to over 90 per cent of the farms on its channel system.

Last year, the Hume and Dartmouth Dams started with over 3,000 billion litres of water. This year they started with just over 700 billion litres and, since then, inflows have remained low. Unless it rains heavily, by the end of this coming irrigation season, the dams may be empty.

As a result, many of the permanent plantings in the Basin - like fruit trees and grapevines - may die. ABARE estimates significant falls in crop production, with rice farmers planting their smallest crop for more than 50 years.

The challenges for urban water

Traditionally we have supplied our cities and towns with water from rivers, lakes, aquifers and rainfall trapped in dams.

However, there are now fewer appropriate sites for new dams with sufficient rainfall and there is likely to be a lot less surface water available.

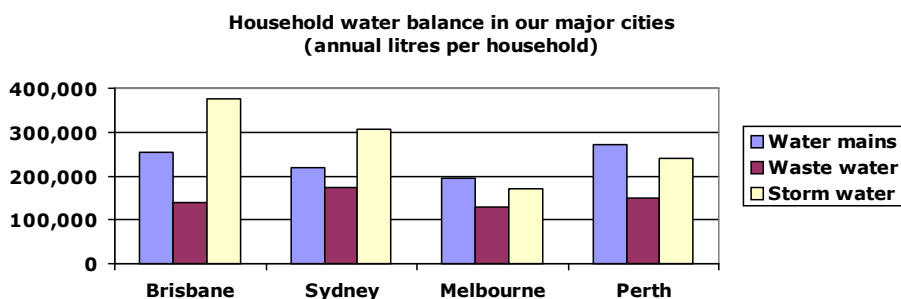
We need to look at the full range of options for water – to diversify our supply and be smarter about the way we use water.

Although we are starting to use water more efficiently, total demand for water is increasing as our population grows, and our supplies are literally drying up with climate change.

In almost all of our cities we still waste more water than we should, with millions of litres of storm water literally going down the drain.

The combined volume of waste water and storm water discharged from households in each of Australia’s major cities is far greater than the volume of water demand at each location. This is one of the areas where Labor hopes to encourage local innovation.

In fact, more stormwater is discharged from households in Brisbane and Sydney than the volume of mains water in those cities as shown in the following graph.



But it doesn’t have to be this way. Storm water and waste water could be used for water supply if we increase our use of recycling and find more innovative ways of storing water.

Existing stormwater infrastructure in cities is designed to prevent the flooding of houses during extreme storm events by removing water from the city environment as quickly as possible.

Successfully using stormwater requires an efficient and effective mechanism for capturing and storing rainfall and run-off when there is a storm in an urban environment.

We need to start using our cities as catchments for water. We can invest in a range of options including greater recycling, greater harvesting of storm water, storage in underground aquifers, more rainwater tanks and grey water re-use in our homes, smarter and more water efficient appliances, and more efficient water use by industry.

For some urban areas, desalination plants will increase water supply, and because they are not dependent upon rainfall they will become an important component of addressing the urban water crisis.

The challenge for Adelaide

Adelaide has over one million residents and is the only major city in the Murray Darling Basin. On average, the Murray provides about 40 per cent of Adelaide's mains water, but in a drought year this can be up to 90 per cent.

In September 2007, Murray River flows across the border into South Australia were the lowest ever at less than 30 per cent of the normal September flows. If the drought continues unabated, Adelaide's main water source may run dry.

The Howard Government's failure to undertake vital water reform places at risk the essential water supplies to Adelaide, South Australia's iron triangle of Whyalla, Port Augusta and Port Pirie, towns from Broken Hill in the North to Keith in the south, and every town along the Murray River.

The Rann Labor Government's efforts to build a sustainable water supply means South Australia will be recycling 45 per cent of its waste water when all its currently planned water recycling projects come on line.

Adelaide has already invested in substantial water savings and has a higher rate of rainwater tanks than any other capital city.

Federal Labor supports diversification of Adelaide's water supply options and the development of water sources that are not dependant on the Murray River or rainfall.

Climate change

The combination of higher temperatures and drought during the past decade in the Murray-Darling Basin and south-eastern Australia is well outside the typical range of variability experienced during the previous 100 years.

Labor believes that climate change is the greatest challenge confronting Australia's water supplies and agriculture.

Adapting to climate change is not just about ensuring the viability of farm businesses.

If the drought continues unabated, Adelaide's main water source may run dry

Water supply issues and climate change are two sides of the same coin

It is about undertaking the major economic and agronomic reforms necessary to underpin the future of Australia's vital regional economies and the future of our food supply.

A recent CSIRO Report estimates that, because of climate change, there will be up to 20 per cent more drought-months over most of Australia by 2030, with up to 40 per cent more drought-months by 2070 in eastern Australia, and up to 80 per cent more in south-western Australia by 2070.¹⁰

Climate change is no longer a future threat. It is now a reality.

Without a strategy for climate change, you don't have a strategy for water.

Because of 11 years of climate change denial, the Howard Government has failed to meet the challenge of planning for Australia's farming future.

The Prime Minister said in Parliament in February 2007 that he believed "the jury is out on the connection between climate change and drought".

But the science is overwhelming and the reality is that Australia faces more frequent and harsher droughts as a result of climate change.

The Minister for Trade recently observed that:

"we would like to think that we return to normal climatic conditions. And if you look at the history of climate in the world, and particularly in Australia over the last 100 years, drought has been cyclical. We have had very lengthy dry periods like this before. We obviously hope and pray this is not going to be a permanent circumstance."

Mark Vaile on the Insiders program ABC TV, 9 September 2007

Yet the National Farmers Federation says that:

"a changing climate means we must rethink how we plan for and deal with drought... today and into the future."

NFF 2007 Federal Election Policy Platform, 19 September 2007.

NSW Farmers' Association President Jock Laurie said that:

"whilst the use of the terms global warming and opportunities may strike some as unlikely, we really see many ways in which agriculture can help the rest of NSW contribute to the environment."

The Howard Government's 11 long years of climate change delay, denial and inaction means Australia has not yet begun to grapple with the solutions. This has been to the detriment of agriculture.

Labor's national plan to tackle the water crisis

Summary

It is in the national interest to deliver a national response to what is a national water crisis, both for the three million people who live in the Murray-Darling system and the 18 million people who live in the rest of Australia.

Labor reaffirms its strong support for the objectives of the National Water Initiative and acknowledges the achievements to date of farmers in water conservation who have taken steps to adjust to climate change.

Labor will reform the Howard Government's approach to make the National Plan for Water Security a truly national plan.

A Rudd Labor Government will:

- Show national leadership to end the blame game, working cooperatively with the States and Territories.
- Develop a truly national plan that brings together the existing urban and rural strategies into a single, coherent strategy focussed on rapidly improving water use and infrastructure, and preparing for less water because of climate change.
- Maintain the integrity of the National Plan for Water Security, while bringing \$400 million forward in funding that the Howard Government has delayed – in recognition of the urgent need to tackle the water crisis.
- Ensure a core role for the Federal Government in investing in urban and household water infrastructure in partnership with State and Territory Governments.

A Rudd Labor Government's measures to help tackle the water crisis will include:

- Investing in water infrastructure in the Murray Darling Basin.
- Accelerating water reform in the Murray Darling Basin.
- Consulting farmers and respecting their important role in land and water management.
- Ensuring a fair water market and fair adjustment.
- Ensuring a sustainable cap for the Murray Darling Basin.
- Returning flows to the Snowy River.
- Supporting innovative water projects and efficient irrigation in Western Australia.
- Supporting more efficient irrigation in Tasmania.
- Investing in urban water infrastructure, and creating a \$1 Billion National Urban Water and Desalination Plan to help secure the water supplies of Australia's major cities.
- Establishing Infrastructure Australia.
- Harnessing savings for large water users.

- Helping families take practical action in their homes.
- Ensuring sustainable housing into the future.
- Preparing for climate change.

Investing in Murray Darling Basin water infrastructure

All opportunities to use water more efficiently in the Murray Darling Basin should be investigated and, while the focus of debate has been on irrigators, water savings in town water supply and other industrial users must also be pursued.

A Rudd Labor Government will accelerate investment in all water saving infrastructure from the National Plan for Water Security and will invest:

- Up to \$400 million to reduce evaporation and improve water efficiency at Menindee Lakes on the Darling River in Western New South Wales, secure Broken Hill's water supply, protect local environment and heritage and return up to 200 billion litres to the Murray Darling Basin. Labor will work with the New South Wales Government and the local community to fix the Menindee Lakes water storage system which loses 426 billion litres of water in an average year.
- Up to \$124 million further investment in the Wimmera Mallee pipeline project to ensure the project is completed and water savings delivered as soon as possible.
- To assist Adelaide to diversify its water supply and reduce its reliance on the Murray. If South Australia proceeds with a desalination plant for Adelaide then, once a site is determined, a Rudd Labor Government will be a financial partner in a carbon neutral desalination plant for Adelaide.
- Up to \$12 million to fund the missing link pipeline between Warren and Nyngan in Western NSW to provide greater water security for the communities of Cobar and Nyngan and return up to 2 billion litres per year to the Murray Darling Basin.
- Up to \$160 million in a desalination plant in the Upper Spencer Gulf to reduce the demand on the Murray River by some 11 billion litres.
- Up to \$4 million to ensure Delta Electricity in Lithgow NSW uses recycled water rather than water from the Fish River, returning 3.6 billion litres each year to the Fish River in the Murray Darling Basin.
- Up to \$250,000 towards Oberon Council's water reuse scheme to supply the timber mill with 360 million litres of recycled water per year from the town's sewerage treatment plant, relieving pressure on the Fish River, which flows into the Macquarie River and the Murray Darling Basin.

Accelerating water reform in the Murray Darling Basin

A Rudd Labor government will streamline the cumbersome and complex federal water bureaucracy.

The Federal bureaucracy currently includes the National Water Commission, Murray Darling Basin Commission, Murray Darling Basin Authority and the Department of Environment and Water Resources - all of which manage water programs and policy.

Labor will reform these institutions to ensure clear delineation between operational, regulatory and policy roles.

A Rudd Labor Government will work with the States and Territories and farmers to ensure clear and coherent management of the Murray Darling Basin and to accelerate reform of water allocation, including the speedy development and implementation of a new Basin Plan.

A Rudd Labor Government will:

- Reduce the number of bodies involved in managing the Basin.
- Bring the Murray Darling Basin Authority and the Murray Darling Basin Commission together into a single body.
- Get the politics out of water management and ensure the Murray Darling Basin Authority is a truly independent agency with primary responsibility for the administration of the *Water Act 2007*.

Respecting farmers' important role in land and water management

Farmers have achieved a lot in water conservation and are taking steps to adjust to the impact of climate change. But many rivers and aquifers in the Murray Darling Basin are under pressure after years of inefficient water use and over-allocation of water licences.

Farmers and farming organisations were excluded from the Prime Minister's Climate Change Taskforce and not consulted about the National Plan for Water Security.

A Rudd Labor Government will respect the important land and water management role farmers and farming organisations play and will:

- Closely consult with farmers, farming organisations and local communities to ensure plans to improve water efficiency and deal with over-allocation in the Murray Darling Basin are developed and implemented in an informed, practical and fair way.
- Draw on local farmers' knowledge to assist the transition to more sustainable water use in the Murray Darling Basin and throughout Australia.

Ensuring a fair water market and fair adjustment

To ensure that adjustment is both fair and equitable, and occurs in a manner that is sensitive to the current drought condition that the Basin finds itself in, a Rudd Labor Government will:

- Bring forward \$400 million in funding under the National Plan for Water Security for water efficiency measures and buying water allocations from willing sellers.
- Ensure that water licences are purchased on just and fair terms from willing sellers, with incentives for early sale of licences.
- Reduce barriers to trade between the States.

To ensure the proper development of the water trading market, a Rudd Labor Government will:

- Accelerate the development of a transparent and accessible water register.

- Work with State Governments and water users to accelerate development of efficient national water trading rules and systems.

Ensuring a sustainable cap for the Murray Darling Basin

A Rudd Labor Government will use science and local knowledge as the basis for its plans to return environmental flows to save the Murray River, repair the Murray Darling Basin and other rivers facing similar degradation.

Although it is not possible during the current drought, Labor believes it is critically important to restore water flows and eco-systems of the Murray River and the Murray-Darling Basin over the longer term.

Securing river health through improved flows will benefit the environment, agricultural industries and recreational users, and create new and valuable opportunities for tourism, leisure industries and river communities.

The health of the river system directly impacts on the health of the farm sector and the rural communities that rely on agricultural production.

On the basis of the currently available information, Labor believes we need to restore in the order of 500 billion litres as a matter of urgency and 1,500 billion litres within the next decade to have any chance of restoring health to the Murray River consistent with the principles of the National Plan for Water Security.

The CSIRO's Report on Sustainable Water Yields in the Murray Darling Basin will be critical in the determination of interim targets and timelines which will be in line with the 2014 timeline within the National Water Initiative for water recovery to address over-allocation.

A Rudd Labor Government will therefore:

- Develop targets and timelines for water efficiency savings and reducing the over-allocation of water licences in the Murray Darling Basin to meet the National Water Initiative timelines and consistent with CSIRO's Report on Sustainable Water Yields in the Murray Darling Basin, which is expected to be completed in January 2008.
- Address the urgent plight of the Murray and Darling Rivers by bringing forward \$400 million in spending for over-allocation, to modernise irrigation and water saving infrastructure.
- Encourage innovative water saving projects such as the River Reach program being conducted by Murrumbidgee Irrigation.

Returning flows to the Snowy River

Returning flows to the Snowy River is of critical importance.

Federal Labor will take action to help reach the target of returning 21 per cent of natural flow by 2015 and will contribute \$50 million from the \$10 billion National Plan for Water Security to the Water for Rivers program to improve flows in the Snowy River.

Federal Labor's \$50 million investment will be able to be used to purchase over-allocated water licences and for infrastructure projects that help deliver additional environmental flows for the Snowy River.

Federal Labor will work cooperatively with the NSW and Victorian Governments to ensure the Snowy Scientific Committee is immediately established.

Supporting innovative water projects and efficient irrigation in Western Australia

Western Australia has been a national leader in water management in the face of a drying climate.

A Rudd Labor Government will support innovative, nation-building projects to help deal with Western Australia's water crisis.

A Rudd Labor Government will invest:

- \$2 million towards the "Saving Hyde Park" project in Perth to assess alternative water supplies to supplement the lakes and ensure the heritage-listed Hyde Park continues to be a hub of community activity for Perth.
- \$4 million towards the Urban Waterways Renewal project in the Canning and Southern River area which will redesign and renew existing outdated drainage lines into streams to improve water quality, environmental flows and potential for reuse.
- \$10 million towards a desalination plant at Wellington Dam to provide up to 10 billion litres of water to secure the water supply from the Collie Basin to the power industry, irrigators and potentially to supply drinking water.
- \$5 million to support Stage 2 of the Kwinana Water Reclamation Plant, which will service the needs of industry and complement the desalination plant, supplementing drinking water supplies for Perth. This will significantly increase the amount of water for industrial use and will free up valuable drinking water for human use - saving an additional 10 million litres a day when complete – about the same average amount of water used by more than 13,200 Perth households.
- \$49 million towards the Harvey Water Piping Project which will help irrigators in important WA farming areas south of Perth minimise seepage and evaporation and reduce water use by 30 per cent. Up to 40 billion litres will be saved in the Harvey Water piping project, making significant extra water available for Perth's drinking supply. The Project will deliver a fully enclosed, constantly pressurised irrigation system.
- \$30 million towards the Gnangara Mound aquifer recharge project and State water management plans. Gnangara Mound is the largest and most important shallow underground water resource in the Perth region. The project will ensure 1.5 billion litres per year of treated wastewater undergo further treatment including desalination, and are then pumped through bores into the confined Leederville aquifer on the Gnangara Mound.
- \$200,000 for the development of a coordinated and linked Water Cycle Management Plan for the Peel Harvey Catchment Council.
- \$6.6 million towards the Gascoyne Irrigation Pipeline Project and Water Delivery System, which will ensure the construction of a high-pressure irrigation water delivery system across the entire Carnarvon Irrigation Area. The project will use high-pressure delivery systems that will directly water crops without the need for temporary storage in on-farm tanks, thus

avoiding “double-pumping”. This is a \$13.2 million project, with the balance of the funding coming from the Western Australian Government and Gascoyne Water.

- \$20 million to establish a Centre of Excellence in Desalination Technology in Perth. Western Australia has been a leader in the use of clean energy powered desalination technology with an already operating plant at Kwinana and a second plant on its way. This Centre of Excellence will provide Australia with a research hub to ensure Australia captures the benefits of improving desalination technology, ensuring Australia is a technology maker, not a technology taker.

Supporting more efficient irrigation in Tasmania

Tasmania has a large and diverse agricultural industry, but its needs have been largely ignored by the Howard Government.

Tasmania was not mentioned by the Prime Minister in his national water policy announcement on 25 January 2007.

To invest in the modernisation of irrigation in Tasmania, a Rudd Labor Government will invest up to \$140 million from the \$6 billion modernising irrigation component of the National Plan for Water Security.

The Tasmanian Government is progressing irrigation infrastructure projects across the State, and they include:

- The Midlands Water Scheme, which includes a pipeline to deliver water from the Tailrace of the Poatina Power station for irrigation in the Macquarie River catchment and also for town water supplies. The proposed Meadstone Dam and projects in the South Esk Basin are part of the Midlands Water Scheme.
- The Shannon Catchment project, which includes proposals for dams or weirs on the Shannon River to provide irrigation opportunities for the Ouse and Clyde River catchments.
- Projects in the Mersey-Forth Water District to transport water from Lakes Parangana, Palooma, Barrington or Cethana for irrigation.
- Potential water storages in north-eastern Tasmania to underpin large-scale dairy conversion.

Practical national leadership for urban water infrastructure

Federal Labor believes the Commonwealth has an important leadership role in ensuring each and every Australian – whether they are in rural or urban Australia – has a secure supply of water.

A significant increase in the capacity and scale of Australia's urban water infrastructure is the only way to secure the water supply for our major cities and growth corridors.

Labor rejects statements by Treasurer Peter Costello, who said on 9 May 2007 that “meeting the urban water crisis was a job for State Governments, not the Federal Budget”.

The Commonwealth has an important leadership role in water infrastructure

\$1 billion National Urban Water and Desalination Plan

A Rudd Labor Government will implement a \$1 billion National Urban Water and Desalination Plan to help secure the water supplies of Australia's major cities.

This \$1 billion plan will support desalination projects, water recycling and major stormwater capturing projects nationwide without adding to climate change and without increasing greenhouse gas emissions.

The National Urban Water and Desalination Plan will fund a 10% Water Tax Credit and grants for approved projects developed by the private sector, local governments, and State and Territory Governments.

The 10% Water Tax Credit will drive up to \$10 billion worth of investment in Australia's urban water infrastructure.

The private sector, local government, and state governments will be able to submit proposals for funding assistance to Infrastructure Australia over an 18 month period until the end of June 2009.

Projects supported must be delivered by the most cost-effective means, including through public-private partnerships.

A Rudd Labor Government will also require that projects supported under the \$1 billion National Urban Water and Desalination Plan are consistent with environmental best practice and include a commitment to being carbon neutral.

Projects supported must source 100 per cent of their energy needs from renewable sources or fully offset the carbon impact of their operations and any shortfall using nationally accredited offsets. The offsets used will be in addition to those required to meet Federal Labor's expanded mandatory renewable energy target.

With its carbon neutral guarantee, Federal Labor recognises that securing our future water supplies is a key part of tackling climate change.

A Rudd Labor Government will call for submissions and they will be assessed independently by Infrastructure Australia.

Specific investments in urban water infrastructure

In 2004, the Prime Minister committed \$2 billion to an Australian Water Fund. Yet, despite Australia's ongoing water crisis, the Howard Government delayed for three years committing more than half of that fund until mid 2007.

That's why Federal Labor, following consultation with the States, has committed to invest from the Australian Water Fund:

- \$408 million for the Western Corridor Recycling Project in south east Queensland.
- \$20 million for the Geelong Shell water recycling project in Victoria.
- \$30 million to the Gngarara Mounds Aquifer recharge project in Western Australia and the development of State water management plans.
- \$115 million for the Goldfields Superpipe in Ballarat and Bendigo.
- \$80 million for the Central Coast missing link pipeline in New South Wales.

■ \$500,000 for the Aquatic weed harvester for the Hawkesbury Nepean River

In Kevin Rudd's Budget Reply Speech, he announced Labor would establish a \$250 million National Water Security Plan for Towns and Cities so the Federal Government would:

- Work in partnership with government and local water authorities to minimise water loss.
- Invest in modern, more efficient water infrastructure and refurbish older pipes and water systems.
- Provide funding for practical projects to save water.

Using this fund, Labor has committed to invest:

- \$6.55 million in four stormwater capture projects in partnership with Salisbury Council. These projects will save 6.3 billion litres of water per year, which is the equivalent of the water used by over 2,200 Adelaide homes.
- \$12 million in the Huon Valley water scheme in Tasmania, providing treated water and securing 200 jobs in the aquaculture industry.
- \$10.5 million in South East Tasmania to significantly reduce the effluent discharges into the Derwent Estuary through the development of an integrated recycling and irrigation system.
- \$2.7 million for piping recycled water from Penrith Sewerage Treatment Plant to 15 local sporting fields and businesses in Western Sydney.
- \$3.3 million to help upgrade the sewerage system in Braidwood, NSW.
- \$2 million to help manage stormwater, reduce river pollution and improve water quality in the Cooks River.
- \$350,000 to help provide Lithgow Golf Club with recycled water from the Lithgow sewage treatment plant.
- \$700,000 towards a water treatment plant for Bellbrook on the NSW North Coast.
- \$3.5 million for a water re-use project in the McLaren Vale saving 500 million litres per year.
- \$10 million for a new recycled water plant to serve the Victorian coastal growth corridor of Torquay, Armstrong Creek and surrounding areas.
- \$5 million to help the City of Casey in Melbourne develop a 'state-of-the-art' water smart pool in Cranbourne which will be filled mainly using rainwater.
- \$2 million towards the "Saving Hyde Park" project in Perth.
- \$4 million towards the Urban Waterways Renewal project in the Canning and Southern River area.
- \$10 million towards a desalination plant at Wellington Dam near Perth.
- \$5 million to support Stage 2 of the Kwinana Water Reclamation Plant.
- \$20 million towards the Rockhampton to Gladstone pipeline to secure water supplies for Gladstone.

High profile demonstration projects in Green Precincts

A Rudd Labor Government will invest \$15 million in at least 10 high profile practical projects to encourage water and energy saving measures such as solar and rainwater.

Federal Labor launched its Green Precinct policy at Windy Hill in Melbourne, home to Melbourne's Essendon Football Club, where up to \$1 million was pledged in matching funds towards the Windy Hill Green Precinct Project.

Windy Hill has enormous roof space on its grandstand and buildings that can be used to harvest over 500,000 litres of rainwater each year. Capturing this water and investing in water efficiency measures could cut current consumption of mains drinking water in half.

The Precinct will include significant solar power generation, solar hot water services and energy efficiency measures – together delivering substantial reductions in greenhouse gas emissions.

The Windy Hill facilities will be a high profile example to all of its users, including local schools, sporting clubs as well as the Essendon Football Club and its tens of thousands of supporters.

A Rudd Labor Government will create high profile Green Precincts around Australia, investing \$15 million in demonstration projects that provide both direct environmental benefits and opportunities for broader community awareness raising about water and energy savings.

Working in partnership with community organisations, sporting clubs and State and Local Governments, a Rudd Labor Government will use Green Precincts to encourage Australian families to harness similar opportunities in their own homes.

Federal Labor's \$15 million Green Precincts program will fund at least ten projects that:

- Demonstrate significant water and energy savings, including use of renewable energy.
- Are built at facilities that connect with or are used by thousands of people.
- Include a significant community education component.

Green precincts could include public libraries, local governments, shopping centres, heritage-listed community buildings and other iconic public facilities.

The Green Precinct program will be funded with \$8.8 million from Federal Labor's National Water Security Plan for Towns and Cities and \$6.2 million from Federal Labor's enhanced Solar Cities program.

Centres of Excellence in Desalination and Water Recycling

To boost ongoing work in developing and commercialising new water technology and ensuring sustainable water supplies, a Rudd Labor Government will establish a Centre of Excellence in Desalination in Perth and a Centre of Excellence in Water Recycling in Brisbane.

Perth and Brisbane are Australian leaders in these respective fields.

These two Centres of Excellence will ensure the ground breaking work on energy efficient bulk water supplies being developed in Australia are built on and that the skills are kept in Australia.

The Centres of Excellence will ensure Australia is a water technology maker, not a technology taker.

Infrastructure Australia

To assist with long term planning of infrastructure, a Rudd Labor Government will create Infrastructure Australia, a new agency to coordinate the planning, regulation and development of infrastructure.

Infrastructure Australia will:

- Coordinate the longer-term planning and development of nationally significant infrastructure.
- Include experts with professional experience from the private and public sector.
- Analyse, monitor and report on the delivery and operation of major infrastructure projects.
- Improve information for investors and project developers.
- Improve co-operation between all levels of government about infrastructure.

Water infrastructure will be one of the four priorities for Infrastructure Australia, along with transport, communications and energy.

Harnessing savings for large water users

A Rudd Labor Government will establish a new Water Efficiency Opportunities (WEO) program for large commercial and industrial water-users across Australia.

There are significant opportunities to address the water crisis by reducing water usage from the commercial and industrial sectors, producing significant environmental benefits, productivity gains and net economic benefits for large water users.

Business water efficiency programs underway through the States and Territories are demonstrating the potential benefits of government support for commercial and industrial water efficiency, for example:

- In Victoria, one of Australia's largest fruit juice processing companies entered into a partnership with EPA Victoria and Lower Murray Water to identify water savings opportunities of 8,500 kilolitres and potential cost savings of \$4,500 per annum.¹¹
- In NSW, a major pharmaceuticals manufacturer joined in Sydney Water's Every Drop Counts program to implement wastewater recycling measures at a cost of \$20,000, for projected savings of 11,000 kilolitres and \$19,000 every year.¹²
- In Queensland, the State Government's Business Water Efficiency Program has provided over \$350,000 in support for projects saving more than 80 megalitres of water every year.¹³

A cost-benefit analysis prepared for the implementation of the current Water Efficiency Labelling Scheme identified benefits to commercial users from product labelling alone of \$97 million – more than eight times the projected costs of the scheme.¹⁴

There is a clear opportunity for national leadership to harness the potential for commercial and industrial water efficiency throughout Australia, mirroring the successful Energy Efficiency Opportunities program for large energy users to provide coordinated support for large water users.

A Rudd Labor Government will establish a Water Efficiency Opportunities program, providing a practical reporting framework and encouragement for large water users to:

- Improve the identification of cost-effective opportunities for increased water efficiency.
- Fast-track the implementation of cost-effective water savings measures.
- Report publicly on water savings measures, offering national recognition for above-average water savings and efficiency.
- Establish the Australian Prime Minister's Water Wise Awards, providing annual Gold, Silver and Bronze accreditation for industry leaders in water savings and efficiency.
- Establish a network linking businesses with waste-water streams to those with an identified use for recycled water.
- Work with the States and Territories and water utilities to harmonise existing commercial and industrial water efficiency programs, drawing on the expertise and experience of existing initiatives, avoiding duplication of resources and streamlining reporting requirements.

Participation in the WEO program will be open to all commercial and industrial water users above a designated threshold to be determined in consultation with industry.

This initiative will help meet Labor's national target to recycle at least 30 per cent of wastewater by 2015 and will be funded through existing funds within the Department of Environment and Water Resources.

Helping families take practical action in their homes

The average water use in capital cities has dropped by 15 per cent per person since 2001, but despite this improvement, there are still significant gains to be made by using water more efficiently at home, capturing rainwater and recycling 'grey water'.

Technologies to increase the efficiency of water use are readily available, such as water efficient shower heads and washing machines, but they are not being adopted at the rate required to limit growth in water use. Well designed and applied demand management is the simplest, cheapest and most environmentally benign way of balancing demand with supply.

In urban areas, rainwater tanks are still used by only a small minority of households, except in Adelaide where 38 per cent of households have rainwater tanks and 12.6 per cent of them use the rainwater for drinking.

But less than 6 per cent of homes in other Australian capital cities have tanks.

A Rudd Labor Government will encourage more households to install rainwater tanks and other household water and energy saving measures.

More than 65 per cent of existing homes in Sydney, 73 per cent homes in southeast Queensland and 72 per cent of homes in Melbourne have potential for a rainwater tank, which can help defer the need for future urban water supplies.

Federal Labor wants every Australian home and its roof to be a personal water catchment area, maximising re-use and collection of rain water.

Water supply in developing urban areas could be effectively augmented through the installation of extra piping to supply treated water for toilets, gardens and other non-drinking purposes.

Although all mains water is drinking quality, only 8 per cent is for cooking and drinking.

Within households, the largest use is for outdoor purposes.

Labor is committed to helping families to take practical action in their homes to preserve and recycle water.

That's why a Rudd Labor Government will:

- Offer rebates of up to \$500 for 500,000 homes to help install new piping for grey water use or rainwater tanks under Labor's National Rainwater/Grey Water Plan.
- Offer low-interest loans of up to \$10,000 to make at least 200,000 existing homes more energy and water efficient, with subsidised environmental audits and free Green Renovations packs.
- Set an aspirational target that by 2020 all Australian homes, where suitable, will have appliances such as rainwater tanks and grey water re-use systems.
- Invest up to \$3 million to provide up to \$10,000 to every surf life saving club to install a rainwater tank, or to contribute towards a larger water saving project.

Ensuring sustainable housing into the future

A Rudd Labor Government will accelerate the development and implementation of a nationwide performance-based system for reducing water and energy usage in new homes.

The housing we build today will impact Australia's greenhouse footprint for decades to come.

The Australian Building Codes Board, which administers the Building Code of Australia (BCA), has adopted a nationally consistent five-star energy performance standard for residential buildings.

However, progress in implementing this code has been frustratingly slow.

The housing we build
today will impact
Australia's
greenhouse footprint
for decades to come

In 2004, NSW varied the code to introduce a web-based energy and water standard for new residential construction called the Building Sustainability Index (BASIX).

Other states have indicated they may follow the NSW approach, with its clear focus on reducing energy and water use, without being prescriptive in how builders meet those standards.

In February 2007, the Council for the Australian Federation agreed to investigate the national implementation of a performance-based system:

Adoption of the BASIX or similar system nationally has the potential to save in the order of 25 million tonnes of CO2 and 630 billion litres of water over a ten year period.¹⁵

In this context, a Rudd Labor Government will:

- Build on the work already undertaken by the States and Territories to accelerate the development and implementation of a nationwide performance-based system for reducing water and energy usage in new homes.
- Ensure that homeowners save money through cost-saving design features and fittings, and that industry benefits through reduced red tape and the harmonising of key regulations imposed across jurisdictions.

Preparing for climate change

With CSIRO warnings of less water, greater climate variability, more frequent drought and uncontrollable bushfires, there is no doubt that Australian farming will be different in the future from today.

Labor supports the continued evolution of Exceptional Circumstances Relief to help those farmers in desperate need as a result of drought.

However, Labor also believes there is a need to strengthen existing public policy by encouraging farmers to begin planning for the long term effects of climate change and to become more drought-ready.

After a decade of Howard Government inaction and denial on climate change, this transition will not be easy.

It can only be through an open and honest debate about the future of our farming industry in an environment with longer and more intense drought periods.

There is a need to strengthen partnerships between industry and government to respond to climate change and to significantly boost climate change research to assist primary industry to take advantage of the carbon economy.

A Rudd Labor Government will fast track the National Agriculture and Climate Change Adaptation Action Plan that will:

- Support climate change research to better understand the implications for agriculture.
- Integrate adaptation responses into agricultural policies and natural resource management programs to respond to climate risks and pressures

Labor will ensure that homeowners save money through cost-saving design features and fittings, and that industry benefits through reduced red tape and the harmonising of key regulations imposed across jurisdictions

– for example, to understand the impacts of temperature changes on plant and animal health.

- Build resilience into existing agricultural management systems to better identify and manage the impacts of climate change.
- Manage the impact of climate change on native and invasive species and disease incursions in agricultural and natural resource systems.
- Take advantage of market opportunities that may arise from climate change – for example, this could include developing new tools, products and services for the domestic market and for export into growing international markets.

Labor's plan includes:

- \$15 million for a Climate Change and Productivity Research Program to assist farmers to respond to climate change.
- \$55 million in a Climate Change Adjustment Program, including a \$10 million funding increase for the Rural Financial Counsellors Service.
- \$60 million for a Climate Change Adaptation Partnerships program.

Financial implications

Labor's National plan to tackle the water crisis is fully costed and funded. Labor will be bringing forward funding under the Plan in recognition of the urgency of tackling the water crisis.

FINANCIAL IMPLICATIONS – IMPACT ON UNDERLYING CASH BALANCE (\$M)

	2007-08	2008-09	2009-10	2010-11	Total
National Water Security Plan for Towns and Cities		50.0	50.0	75.0	175.0
National Plan for Water Security	100.0	50.0	250.0	0	400
Gross Total	100.0	100.0	300.0	0.0	575.0
National Plan for Water Security	0.0	0.0	0.0	-400.0	-400.0
Total Offsets	0.0	0.0	0.0	0.0	400.0
Net impact	100.0	100.0	300.0	-325.0	175.0

Endnotes

- ¹ Department of Environment and Water Resources Portfolio Budget Statement, Budget overview, Appendix 1
- ² Murray Darling Basin Commission (MDBC). Drought update No.10, October 2007
- ³ NSW DPI, Fisheries Research Report Series, September 2005
- ⁴ MDBC Drought Update, July 2006
- ⁵ Ibid
- ⁶ MDBC Native Fish Strategy Report – August 2007
- ⁷ MDBC. Report by David Dreverman to meeting of First Ministers 7 November 2006
- ⁸ Ibid
- ⁹ Report by MDBC Scientific Reference Panel, October 2003
- ¹⁰ CSIRO. "Climate Change in Australia", October 2007
- ¹¹ EPA Victoria, Resource Efficiency Project Outcomes, www.epa.vic.gov.au, last updated 12 October 2007
- ¹² Sydney Water, Saving Water: In Your Business: Manufacturers: Case Study
- ¹³ SEQWater Corporation, Business Water Efficiency Program, Industry Profile: Commercial Buildings
- ¹⁴ George Wilkenfeld and Associates, Regulation Impact Statement: Proposed National System of Mandatory Water Efficiency Labelling for Selected Products, prepared for the Department of Environment and Heritage, May 2004
- ¹⁵ Council for the Australian Federation, Communiqué, 9 Feb 2007