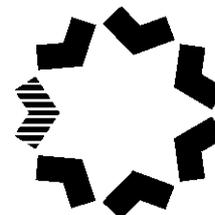


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PRESS RELEASE

15 April 2002

National Competition Council Applauds Historic Agreement to Restore the Murray

The National Competition Council today has applauded the landmark agreement signed by State and Federal resource Ministers in Corowa on Friday to a \$1 billion package to boost annual environmental flows for the Murray River, Australia's most important but stressed river system.

Graeme Samuel, President of the NCC said that this is an historic moment. For the first time in one hundred years we have an agreement that defines the environmental targets that will begin to restore the Murray River.

The Murray-Darling Basin Commission Ministerial Council has worked hard with the resource ministers from Victoria, NSW, South Australia, Queensland and the Commonwealth Government to develop the flow proposals.

Under the terms of the agreement, the Murray will recover either 350, 750 or 1500 gegalitres of water for the environment. The seven year agreement also calls for a \$157 million capital works program to improve weirs and channels and a native fish strategy to boost six-fold the levels of native fish. The three options will be put out for 15 months public consultation in July. A final decision on environmental flows will be made by the Ministerial Council in October 2003.

All Murray-Darling Basin Governments have agreed to share the cost of recovering water for the environment including the development of water efficiency savings and purchasing some water through the market.

The National Competition Council recognises the importance of this reform. Agriculture and other uses have reduced the Murray's natural flow by 80 per cent causing serious degradation to overall river health including the contraction of wetlands, falls in native fish, flora and fauna,

rising salinity, and increases in the frequency of algal blooms. The decline of the Murray has also impacted on farmers in terms of declining water quality and reliability of supply.

Concern regarding the degradation in the Murray's health has been compounded by the long term implications for the many communities dependent upon it. There is an urgent need for co-ordinated action by all Governments to change past water practices in order to save an Australian icon. The Council supports consultation with stakeholders as environmental interests, industry and the broader community considers the economic, environmental and social trade-offs of the proposal.

Refer attachment

For further comment contact: Denise Healy 03 92857497

Attachment

Murray Facts

- The River Murray is part of the Murray Darling Basin system which stretches from Queensland to South Australia and supports 75 per cent of Australian's irrigation and 40 per cent of our agricultural product.
- Changing the way its water is used is the combined responsibility of the New South Wales, Victorian, Queensland, South Australian, ACT and Federal Governments.
- To this end, these Governments have formed a specific Ministerial Council to direct the Murray – Darling Basin Commission (MDBC) in co-ordinating efforts to save the Murray.

Obligations under National Competition Policy water reform

Water reform is one of the most complex and overdue reforms under the umbrella of National Competition Policy.

The 1994 Council of Australian Governments (CoAG) water reform agreement explicitly recognises the environment's need for and right to water.

To meet their commitments under this agreement, Governments are required to implement reforms to ensure that waterways have sufficient water to sustain their long-term ecological health. This involves identifying how much water each river actually needs for sustained health and then allocating sufficient water for the environment's needs.

Under its role of assessing the implementation of NCP water reforms, the Council has previously recognised the complexity of the issues as well as the number of Governments involved has meant that progress in improving the Murray's health in the past has been slow.

Given the national significance of the Murray, the Council supports the initiative to improve the health of the Murray as a means to meet National Competition Policy commitments.