



Australian Government



Inspector-  
General of  
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Compliance

## WATER'S EDGE: TRANSCRIPT

### Special episode: Myth busting: buybacks

Speaker: *Water's Edge* podcast acknowledges the traditional owners of country throughout the Murray-Darling Basin and Australia and recognises their continuing connections to lands, waters, and community. We pay our respects to Aboriginal and Torres Strait Islander cultures and to the elders past, present and emerging.

Speaker: This is *Water's Edge - myth busting!*

AH: Joining me today for today's myth-busting episode is Di Mead. Di is the strategic oversight advisor for the Inspector-General of Water Compliance and she's a Basin plan and water guru in the office. Di has kindly agreed to talk to us today about something that's been doing the rounds in the news a bit, recently, and that's water buy-backs. Welcome to *Water's Edge*, Di.

DM: Thanks, Annabelle. It's a pleasure to be here.

AH: We'll get straight into it. Di, can you please tell us: what are buybacks?

DM: Sure, Annabelle. Well, buybacks are essentially the Australian government buying water off of farmers and irrigators. When the basin plan came in, it put a new limit on how much water could be used for farming and still leave enough for healthy rivers and the environment. This new limit, which is called the Sustainable Diversion Limit, was lower than the existing levels of extraction. So, the Basin plan required water to be required to bridge that gap between the existing levels of use to the new, lower limit. One of the ways of getting that water back is to buy water entitlements from farmers who want to sell some of their water. So, a buyback is essentially the Australian government buying water off Australian farmers. Once they have that water, it's transferred to the Commonwealth Environmental Water holder, who then uses it for environmental purposes.

AH: There's been some commentary in the media that buybacks are bad. So, why would people think that buybacks are bad?

DM: What you need to understand, I guess, is that a lot of people are worried because when you buy water off farmers and irrigators it takes water out of what you can call the consumptive pool. So, that's less water going into production and economic activity. A lot of people are worried that water buybacks, particularly if there's a lot of water bought back in a small area, will have a bad impact on their local economy and community.

AH: So, what's the bridging the gap process?

DM: So, it's probably a good idea to understand what people mean when they say 'the gap'. I mentioned that before, but it's essentially the gap between how much water was being

used and how much water needs to be used to make sure that the river's healthy. That gap, between the old level of use and the new level of use, is what people mean when they're talking about bridging the gap. Bridging the gap is just recovering enough water to bring the level of water use back down.

AH: So, are the buybacks proposed for the 450 gigalitres for the environment, or is the water buyback process just for bridging the gap?

DM: So, it's important to understand that there's two different things going on, here. The 450 gigalitres is about something different, which is the Sustainable Diversion Limit adjustment mechanism, and I think we've got a whole different discussion on that. There's different processes for recovering that 450 gigalitres. It's really going to be up to the Australian government to determine what processes they might use to recover the 450 gigalitres, but at the moment they're using a range of different efficiency programs to try and recover that water. So, this buyback that's about bridging the gap is quite separate.

AH: It's very different to the 450 gigalitres?

DM: That's right. And the last bit of buyback that's going on right now, that's about recovering the last little bit to get to that Sustainable Diversion Limit that the basin plan set.

AH: Will the buybacks process that's underway at the moment recover the water that's needed?

DM: That would recover the water that's needed to bridge that gap to the new Sustainable Diversion Limit.

AH: And it's a voluntary process?

DM: It's a voluntary process. I think the Australian government has always taken the approach to only undertake voluntary buybacks. So, that's farmers who want to sell their water can come forward, and if their water is in the right place and is the right kind of entitlement that suits the government, then they might well go ahead with the purchase.

AH: What role does the Inspector-General play in buybacks, if any?

DM: So, the Inspector-General really doesn't have any role in the buybacks. Determining if and how and when to buy water is really a decision for the Australian government, and the Inspector-General doesn't really have a direct role to play. We do always, as with all things Basin plan and water, have an interest in making sure that things are being done in a way that's open and transparent and accountable, so we would be encouraging the department to be all of those things. But we don't have a say in how and where and when water is recovered.

AH: If people maybe have complaints about the buybacks process, who should they be going to about those complaints?

DM: So, that's really the Australian government department that's responsible for those buybacks. That department is the Department of Climate Change, Energy, the Environment and Water. It's a bit of a mouthful.

AH: DCCEEW for short?

DM: DCCEEW for short, that's right. Yes. But that's who people should really be contacting in the first instance, if they've got concerns about the buyback program.

AH: Does the Inspector-General have an oversight role to play in the buybacks process, though?

DM: Look, the Inspector-General does have an oversight and monitoring role for implementation of all of the Water Act in the Basin plan generally, so inasmuch as they buybacks is part of implementing the Basin plan then yes. However, provided there's no actual breaches of legislation, then the power of the Inspector-General to take any action is quite limited. But, as I said before, we would like to see the processes undertaken with appropriate degrees of transparency and accountability, so that people can understand what's happening. Ultimately, decisions about water buybacks lie in the hands of the Australian government.

AH: Okay. Alright. And if people have complaints about the process, they should go to DCCEEW?

DM: They should go to DCCEEW in the first instance. But, of course, we'll always take on board any approach people make to us inasmuch as it's appropriate for us to look into things. But, as I said, our role in buybacks is limited.

AH: Okay. Well, thank you very much for your time, Di, to clarify this. It's a very complicated topic, but I think we've managed to tackle some of the key issues.

DM: It is complicated, Annabelle, but it's good to try and talk about some of these things and help people understand them.

AH: Absolutely. Thanks for your time, Di.

DM: Thanks, Annabelle.

Speaker: *Water's Edge* is produced by the Inspector-General of Water Compliance, Australian government, Canberra.