

DRAFT SECOND READING SPEECH

HON GUY BARNETT MP

Electricity Supply Industry Restructuring (Savings and Transitional Provisions) Amendment Bill 2018

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Madam Speaker, I move that the Bill now be read a second time.

The purpose of the *Electricity Supply Industry Restructuring (Savings and Transitional Provisions) Amendment Bill 2018* is to clarify Hydro Tasmania's on-going obligation to supply water to entitlements holders along the Lake and Ouse Rivers under Division 2 of Part 4 of the *Electricity Supply Industry Restructuring (Savings and Transitional Provisions) Act 1995*.

Madam Speaker, a legislative process to clearly define the water rights of riparian landowners on the Ouse and Lake Rivers, and determine Hydro Tasmania's associated water supply obligations, came into effect on 6 July 2011 with amendments to the *Electricity Supply Industry Restructuring (Savings and Transitional Provisions) Act 1995*.

Prior to 2011, section 16 of the Act required Hydro Tasmania to "make available to the owners of land to which this section applies, water reasonably required for the irrigation of that land from the beds of the Lake River and the River Ouse and the channels of the Lawrenny Irrigation Works that have continued in existence since 1 November 1957 or earlier."

The amendments in 2011 were made to achieve two key outcomes. Firstly, to provide relevant landowners with a contemporary, properly specified water access entitlement under the *Water Management Act 1999* or *Irrigation Clauses Act 1973*, thus meeting our obligations under the National Water Initiative, and to provide those landowners with certainty regarding the statutory nature of their water entitlements.

Secondly, it defined the amount of water that Hydro Tasmania would be required to make available to relevant landowners, thus providing certainty to Hydro Tasmania, an important point particularly as the water resources involved are its most valuable.

Madam Speaker, the process that came into effect in 2011 provided for the amount of water to be made available to relevant landowners to be determined by agreement, or by arbitrated award if agreement could not be reached.

Hydro Tasmania have negotiated agreements with all relevant landowners on the Ouse and Lake Rivers to quantify the amount of water required. However, Madam Speaker, in determining the process for fixing the amount of water by Order, a legislative drafting error became apparent.

The current wording of the Act means that the obligation on Hydro Tasmania to make water available to the "entitlement holders" essentially continues until their death. In addition, Madam Speaker, the Act currently provides that Hydro Tasmania's obligations to make water available to

the original entitlement holder will continue to exist, even if such a person transfers their relevant water authorisation.

The Bill I present today, Madam Speaker, clarifies that Hydro Tasmania must make water available from the beds of the Lake River and the River Ouse to every person who held riparian land in 2011 or persons to whom land has been transferred or novated.

In addition, this Bill clarifies the period during which an agreement between an entitlement holder and Hydro Tasmania could be made.

Once this Bill has been enacted, the Minister for Primary Industries and Water will then be able to approve Orders under section 16D of the *Electricity Supply Industry Restructuring (Savings and Transitional Provisions) Act 1995* to fix the amount of water Hydro Tasmania must make available to riparian landowners and the Lawrenny Water Trust.

The water entitlements under the Order will be based on the agreements that have been made with Hydro Tasmania and will be formalised as either water access entitlements under the *Irrigation Clauses Act 1973* or *Water Management Act 1999*.

This will provide certainty to both entitlement holders and to Hydro Tasmania regarding water that is obliged to be made available from the Ouse and Lake Rivers.

Entitlement holders will benefit by having fully tradeable entitlements that constitute a capital asset that does not presently exist.

Madam Speaker, this contrasts to the present situation where, whilst Hydro Tasmania makes water available, it retains ownership of the access entitlement to that water.

Madam Speaker, the Government fully supports the introduction of this Bill.

I commend this Bill to the House.