**GROUNDWATER (BORDER AGREEMENT) (AMENDING AGREEMENT) AMENDMENT BILL 2006**

**Legislative Council, 31 May 2006, page 242**

Second reading

**The Hon. G.E. GAGO (Minister for Environment and Conservation)** obtained leave and introduced a bill for an act to amend the Groundwater (Border Agreement) Act 1985. Read a first time.

The Hon. G.E. GAGO: I move: That this bill be now read a second time.

The purpose of the bill before us is to approve and ratify an amendment agreement to the Border Groundwater Agreement, the principal agreement. The amendment agreement is set out as a schedule to the bill. As honourable members will know the principal agreement entered into between the states of Victoria and South Australia in 1985 provided for the coordinated management of groundwater resources in the vicinity of the Victorian and South Australian border.

In most areas adjacent to the border, groundwater is the only reliable water source. Over the last 20 years, the principal agreement has provided a realistic and equitable framework for the intergovernment cooperation and development of long-term strategies for protection and sustainable harvesting of the groundwater resources in that border area.

The principal agreement is expressed to operate in both states for a distance of 20 kilometres from the border and extending for its full length. This strip of border land, defined in the principal agreement as the designated area, will be 40 kilometres wide. It is divided into 22 zones, 11 in each state. The principal agreement provides that the available groundwater resources be shared equitably between the two states. It applies to all existing and future bores in the designated area, except stock and domestic bores. Extraction licences or permits may not be granted or renewed within the designated area, other than in accordance with the management prescriptions set out in the principal agreement. The prescriptions limit water use in a particular zone to that specified as the permissible annual volume for total withdrawals from all aquifers, or to an average annual rate of potentiometric (or water) levels, as specified, or a permissible level of salinity.

Along the Victorian/South Australian border, groundwater occurs in two main aquifer systems comprising the tertiary confined sand aquifer and the tertiary limestone aquifer. The tertiary limestone aquifer is the primary source of groundwater for existing users. The use of the tertiary confined sand aquifer is generally limited to municipal supply, but there are increasing demands to use the aquifer where the tertiary limestone aquifer is fully allocated. The current management prescriptions were drafted with only the tertiary limestone aquifer in mind. They enable only broad-based management to be applied. This has served well to date but is no longer adequate due to the increased demand for groundwater resources and the need for more targeted management approaches that can be applied to specific circumstances, aquifer types, geological conditions and hydraulic conditions.

The amendments to the principal agreement proposed are as follows. First, to distinguish between the two aquifers and enable subzones to be established for more effective local management. Secondly, to allow management prescriptions to be set for the different aquifers and subzones within a zone. Thirdly, to simplify two of the management prescriptions that are unclear; and, finally, to update references to other legislation.

In conclusion, it is clear that the simple model set out in the principal agreement, which was developed in the eighties, has proved to be a sound basis of the equitable sharing of the resource. Both Victoria and South Australia have undertaken considerable investigations into the status and use of groundwater along the border and have established a sound framework for management of this important resource. The amendments to the principal agreement and the continuing goodwill of the contracting parties will ensure that the groundwater resources along our common border continue to be managed sustainably and effectively. I commend the bill to members.

I seek leave to insert the explanation of clauses in Hansard without my reading it. Leave granted.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title This clause is formal.

2—Commencement The measure will be brought into operation by proclamation. 3—Amendment provisions This clause is formal.

Part 2—Amendment of Groundwater (Border Agreement) Act 1985

4—Amendment of section 4—Interpretation This clause amends section 4 of the Groundwater (Border Agreement) Act 1985 (the "Act") to provide for new definitions of Agreement and Amending Agreement.

5—Insertion of section 5A This clause inserts new section 5A into the Act to provide that the Amending Agreement is approved.

6—Amendment of section 12—Bores for observation and providing data This clause updates a cross-reference to reflect the arrangements that now apply under the Natural Resources Management Act 2004.

7—Repeal of section 14

8—Repeal of First Schedule These clauses repeal redundant material.

9—Substitution of heading to Second Schedule This is a consequential amendment.

10—Insertion of Schedule 3 This clause inserts a new Schedule into the Act. The Schedule contains the Border Groundwaters Agreement Amendment Agreement as signed by the Premiers of Victoria and South Australia.

The Hon. J.M.A. LENSINK secured the adjournment of the debate.