

## **MEDIA RELEASE**

### **NSW Government to guarantee environmental water purchasing is fair**

Thursday 28 May 2009

Water Minister Phil Costa today said NSW will act swiftly to balance water buyback across Murray-Darling Basin States, including an embargo on future trades of environmental water until a better balance can be struck.

Mr Costa's stance follows an announcement by the Commonwealth Government to purchase 240 billion litres in water entitlements from Twynam Agricultural Group.

"NSW is doing all the heavy lifting in this area," he said.

"The NSW Government supports protecting the health of the Murray-Darling Basin and continues to do so. We recognise that strategic water buybacks make a contribution to sustaining the environment of the Murray-Darling Basin.

"But there is a need to urgently balance water purchases between all the Murray-Darling Basin States.

"I have asked the NSW water agencies to place an embargo on environmental water trading with a view to halting future permanent trades until a more equitable solution can be found.

"We were the first state to reform our water markets. We have a proud record of purchasing and using water for the environment, but one state should not be made to carry the burden of the others.

"NSW has the most flexible and sophisticated water trading market and is suffering simply because we have reformed our system while other states lag behind.

"The Commonwealth buybacks are having a disproportionate impact on NSW," he said.

Mr Costa said 72 percent of previous water buyback by the Commonwealth had come from NSW, with this most recent transaction increasing the share to about 97 percent.

"It is time to restore the balance. By playing to the current rules we are an easy target for water purchase," he said.

"We need to resolve the numerous barriers to water trade in Victoria as well as subsidies for water users in other states and the failure of other governments to recover the costs of water management agreed under the National Water Initiative.

"NSW is committed to working with the other jurisdictions to restore the balance across the Murray-Darling Basin, but it's time for everyone to share the cost," he added.

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