



## **The Goulburn Valley Environment Group Inc.**

Po Box 2073 Shepparton Vic 3632

### **Productivity Commission: GVEG submission**

The Goulburn Valley Environment group (GVEG) offer the following comments as requested by the Inquiry.

***INFORMATION REQUEST 2 : Commission is seeking information on:***

- a. risks that may prevent Basin States from successfully implementing SDL adjustment projects***
- b. the extent to which adopting a different definition of 'neutral or improved socioeconomic outcomes' for efficiency measures to what is in the Basin Plan would affect the likelihood of projects being delivered on time and on budget***
- c. whether there are other novel approaches to recovering water for the environment, such as purchase of entitlement options, that may contribute to Basin Plan outcomes while achieving neutral socioeconomic outcomes.***

**SDL Adjustment.** In many ways the implementation of the Basin Plan now relies on the achievement of 3 key elements of Chapter 7, the 605GL adjustment being considered, the 450GL Up-water component and Constraints Management. The 37 projects proposed for SDL adjustment, the 450GL efficiency volume and constraints management are reliant on each other to achieve the equivalent to the original 2750GL and are all equal components of SDL package, negotiated and agreed to by all states.

Unfortunately NSW and Victorian governments have actively opposed both the 450GL and the removal of constraints to delivering Environmental Flows (E- Flows).

The Goulburn Valley Environment Group (GVEG) has concerns with the 37 projects offsetting the 605GL as expressed by the Wentworth Group of Concerned Scientists. Most of these projects lack transparency, consultation, business plans, and appear to be based on "trust us; we will consult as projects are further developed". As expected, given opposition to other elements of the SDL package this trust is wavering. Recovery of the 450GL Up-water has been challenged by vested interests sponsored socio economic reports including the Basin Plan GMID socio economic impact (Assessment Final Report 13 October 2016) and the Victorian Government's recently released report Social and Economic impacts of the Basin Plan in Victoria.

GVEG has been highly critical of the quality and assumptions of these reports which fail to include the many beneficial elements of the Basin Plans' introduction. GVEG position on these reports has effectively been endorsed by the recent EY report on the viability of

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the 450GL and a Marsden Jacobs report of on-farm efficiency projects in the Murray Irrigation District.

**INFORMATION REQUEST 3**

***The Commission is seeking information on actions governments should now take to achieve SDLs in the Northern Basin.***

GVEG has serious doubts relating to the Northern Basin Review, the modelling used, base flows allowed for, the unknown take of overland flows by diverters and actions such as the Barwon Darling WSP hurriedly introduced prior to the Basin Plan coming into effect. The replacement of E-flows with “toolkit measures” which simply advocate for the NSW government to comply with water reform agreements dating over almost 2 decades and Basin Plan undertakings over the past 6 years should not be contemplated. Many of these toolkit measures are considered best management practice and are therefore part of a social licence to divert resources.

**INFORMATION REQUEST 4**

***The Commission is seeking information on:***

- a. why progress to remove constraints has been slower than expected***
- b. the implications of this slow progress***
- c. what can be done to ensure that constraints are removed in a more timely manner while managing impacts on third parties***
- d. strategies that are, or could be, put in place to increase the extent to which Basin Plan objectives are met when constraints cannot be removed***

Constraint Management has, since being handed over to the States by the MDBA, stagnated with little if any progress. The Victorian “New Goulburn Project”, the first put forward by any of the States, fails to even supply out of bank flows, restricts flow levels to below minor flood level that in many river reaches are allowed for irrigation deliveries. Unfortunately Constraints Management has been politicised by the Victorian and NSW governments in an attempt to also walk away from the 450GL up-water in the Basin Plan.

**INFORMATION REQUEST 5**

***The Commission is seeking information on:***

- a. the extent to which the Australian Government's strategy to recover water in areas where gaps remain will be cost effective, align with the Basin Plan's environmental objectives, and be transparent***
- b. risks to achieving water recovery targets by 1 July 2019 and, where not already addressed under current arrangements, how any shortfalls may be resolved***
- c. examples of water recovery (both infrastructure projects and purchases) that have been either well implemented or had major deficiencies, including risks to securing contracted but not yet delivered water from water-saving infrastructure projects.***

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GVEG has concerns with some on-farm water efficiency projects, believing that the best results were achieved were those managed by Catchment Management Authorities who had the ability to achieve multiple benefits by including regional socio economic outcomes. The introduction of commodity and commercial interests administering these projects undermined many of these benefits and introduced unacceptable risk of conflicts of interest.

A Marsden Jacobs review of on-farm efficiency projects in the Murrumbidgee Irrigation Area found that economic productivity was enhanced following these water saving programs.

GVEG has advocated, for over a decade, for a reduction of the GMID irrigation footprint as a foundation principle of Goulburn Murray Waters' \$2b Connections Program. GVEG believe the Connection Program has failed spectacularly to optimise the reduction and modernisation of the GMID.

GVEG position has been vindicated by Goulburn-Murray Water Review (Jan 2018) Strategic Advisory Panel that detailed serious concerns about GMW's long-term future viability.

This Review detailed that recent analysis of meter usage and channel data showed that 80 per cent of GMW's channels delivered less than 500 ML during the 2017 irrigation season, and accounted for only 18% of total deliveries. A third of these channels delivered less than 50ML. In contrast, 20 percent of channels delivered 500 ML or more during the season. These 20% of channels accounted for more than 82% of total deliveries in 2017.<sup>1</sup>

In addition to the Connection Programs' lack of commitment to reducing the irrigation footprint it has had no regard to for the efficient deployment of energy across GMW or customer assets leading to a greater impost on irrigators in the medium to long term. The replacement of gravity irrigation assets with electrical asset in most cases will lead to higher costs and a more vulnerable irrigation system

#### **INFORMATION REQUEST 6**

***The Commission is seeking information on:***

- a. what specific assistance has been provided to help communities adjust to the Basin Plan***
- b. the extent to which this assistance has supported particular industries or regions***
- c. evidence that this assistance has facilitated adjustment that would not have otherwise occurred and has contributed to meeting the intended outcome of the Basin Plan, including more resilient industries and communities with confidence in their long-term future***
- d. whether future structural adjustment assistance is warranted, and if so, what lessons can be learnt from past programs.***

More assistance should have been provided in the Basin Plan to adversely impacted industries and communities. This would have allowed for a smoother transition during

the implementation phase and provided a genuine platform for new industries and technologies to be taken up by communities and industries. The lack of assistance has created uncertainty about the future which has in turn created some resentment towards the Basin Plan. It is not too late to address some of these inequities

#### **INFORMATION REQUEST 7**

***The Commission is seeking information on:***

- a. the main risks to remaining WRPs being finalised and accredited by mid-2019***
- b. how, and to what extent, recent measures to make the WRP accreditation process more efficient and streamlined have sped up the preparation of WRPs and whether there are opportunities to further streamline the accreditation process for WRPs***
- c. other ways WRPs or associated planning processes (e.g. consultation, modelling inputs) could be changed to better meet the objectives of the Basin Plan***
- d. how effective Basin States have been in consulting with all relevant stakeholders***
- e. the main risks to planning assumption work being finalised on time.***

GVEG is involved in Victoria's Northern WRP. The complexity, the technical nature of documentation and the volumes of information make it very difficult for volunteer community based organisations such as GVEG to be involved.

Provision should be made for National and State peak environmental organisations to be part of this process.

Given past experience with examples such as the 2012 Barwon Darling WSP highlight issues with the MDBA assessment process and accreditation by the MDBA are a concern for GVEG

#### **INFORMATION REQUEST 8**

***The Commission is seeking information on:***

- a. how environmental water planning under the Environmental Management Framework is, or is not, facilitating achievement of the Basin Plan's environmental objectives within legislated timeframes, and what improvements should be made.***
- b. how effective and efficient the delivery of environmental water is — including through coordination among owners of held environmental water, managers of planned environmental water and other stakeholders — and how any barriers could be reduced***
- c. whether Australian and State Government objectives for the delivery of environmental water align, any examples of where this has not been the case, and how differences are resolved through the Environmental Management Framework***
- d. the extent to which the Prerequisite Policy Measures (PPMs) assumed to exist under the Basin Plan will be in place by the target date of 30 June 2019, so that the Plan's environmental objectives can be achieved under the SDLs agreed by governments, and how any identified concerns should be addressed***

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***e. any opportunities to better integrate environmental water planning and management with natural resource management programs and complementary works to facilitate achievement of the Basin Plan's environmental objectives.***

GVEG plays a role in Northern Victorian annual watering plans through the Goulburn Broken Catchment Management Authority (GBCMA).

It is unlikely that Prerequisite Policy Measures (PPMs) assumed to exist under the Basin Plan will be in place by the target date of 30 June 2019. Whilst shepherding and accounting of environmental water is in existence in much of the Southern Basin there has little or no progress in the Northern Basin.

It is disappointing that the release of environmental water to complement natural and irrigation flow events appears to be included in the **SDL adjustment Hydro-Cues project**. GVEG believe these 'savings' are no more than Best Management Practices (BMP) and should not be included to reduce the volume of environmental water in the Plan.

Concerns that complimentary works have been include in the Northern basin 'Toolkit' of measures to offset water delivered to the environment. Many of these measures are BMP's and part of the irrigation industry's social licence to operate.

It has been pleasing to see the MDBA beginning to question and pressure practices like Wake-boarding on the Murray and the CEWH's approach to the Victorian Government's regarding the removal feral horse in the Barmah National Park.

#### ***INFORMATION REQUEST 10***

***The Commission is seeking information on:***

- a. whether the Basin Plan trading rules advance the water trading objectives and outcomes stated in chapter 5 of the Plan***
- b. whether changes to state trading rules made to date as part of implementation of the Basin Plan adequately recognise and protect the environment and third party interests***
- c. whether implementation of the Basin Plan has improved access to market information and what further actions Basin States, irrigation infrastructure operators or the MDBA might need to take***
- d. whether processes for reviewing Basin State trading rules – including the roles of the MDBA and the water trade working group – are sufficiently transparent, evidence-based and consultative.***

The increased trading of water downstream in the Southern basin is not sustainable. The delivery of these entitlements are putting at risk current delivery standards and

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damaging upstream rivers with unseasonal high flows. Water trading in the Southern Basin should be reviewed.

#### **INFORMATION REQUEST 11**

***The Commission is seeking information on:***

- a. risks to meeting critical human water needs (CHWN) under the Basin Plan, how the Plan addresses these risks, and what, if any, further measures are required***
- b. any concerns about provisions in WRPs relating to CHWN under extreme conditions.***

It would appear that human needs have insufficient priority on the Darling River and tributaries. The definitions of “human needs” should include cultural flows and sufficient flows to ensure the social wellbeing of communities, and not confined to drinking supplies.

#### **INFORMATION REQUEST 12**

***The Commission is seeking information on:***

- a. risks to the MDBA’s ability to monitor and enforce compliance with the Basin Plan and WRPs from July 2019, and what, if any changes should be made to address these risks***
- b. the extent to which non-compliance with the Basin Plan will be addressed by recent changes to compliance and enforcement announced by governments***
- c. any further changes that should be introduced to increase water take compliance across the Basin.***

Compliance is a threat to the creditability of the MDBA and the Basin Plan. Water meters should be a condition of supply. No meter no licence. The MDBA needs to a much stronger role in compliance and enforcement.

#### **INFORMATION REQUEST 14**

***The Commission is seeking information on:***

- a. whether current institutional and governance arrangements provide for sufficient oversight of the plan and support engagement with the community***
- b. whether there are risks to the achievement of the objectives of the Plan that arise from the current institutional and governance arrangements***
- c. what improvements can be made to ensure that institutional and governance arrangements are fit for the next phase of implementing the Plan.***

GVEG has concerns with the balance of the MDBA Board. Over recent years’ appointments to the Board have favoured irrigation interests at the expense of a balanced ability based Board. MDBA Community Consultation Committee is also heavily irrigator biased with little representation from environmental interests.

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Yours sincerely,

John Pettigrew  
GVEG President.

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