

Murray-Darling Basin Plan: Five-year assessment

Draft Report

Macquarie River Food and Fibre

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Prepared for the Productivity Commission

October 2018

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About MRFF

Macquarie River Food and Fibre represents the interests of over 500 irrigated food and fibre producers in the Macquarie Valley.

Our membership comprises:

- Water Access Licence holders in the Macquarie regulated river system, including both riparian irrigators and the individual members of the valley's off-river irrigation schemes; and
- Aquifer Access Licence holders in the Lower Macquarie Groundwater Sources.

MRFF is supported by a number of associated local businesses and service providers.

About this Submission

This document has been prepared for the Productivity Commission to provide feedback on *their Draft Report : Murray Darling Basin Plan: Five year review*.

The submission is provided on behalf of irrigated food and fibre producers in the Macquarie Valley however it is noted that our individual members may wish to provide their own comments on the draft.

Macquarie River Food and Fibre support the submissions of New South Wales Irrigators Council (DR128) and National Irrigators Council (DR91).

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INTRODUCTION

Macquarie River Food and Fibre (MRFF) represents the interests of over 500 irrigated farming families in the Macquarie Valley. As the peak representative body for the valley's irrigation industry, MRFF takes a lead role in liaising with all tiers of government to ensure the ongoing security and efficient management of our members' water access rights.

MRFF welcomes the opportunity to provide feedback to the Productivity Commission for their *Draft Report : Murray Darling Basin Plan: Five year review*.

MRFF notes that while our submission is provided on behalf of irrigated food and fibre producers in the Macquarie regulated river system, our individual members may wish to provide their own submissions based on the experience they have had with the various environmental water recovery programs.

GENERAL COMMENTS

MRFF wishes to note upfront our frustration that despite the many submissions we made during the development of the Murray Darling Basin Plan, many of the issues that we raised went unaddressed in the final version of the Plan.

In previous submissions and correspondence, MRFF have repeatedly raised concerns regarding over-recovery, connectivity to the Barwon-Darling, non-flow measures to improve environmental outcomes in the Macquarie Marshes and the extent of socioeconomic impacts in the Macquarie. To date, we believe these issues have not been adequately considered or addressed to date.

Continued politicization of the Basin Plan dishonors the hard-fought bipartisan support and endangers critical deadlines and the Basin Plan itself.

SPECIFIC COMMENTS TO DRAFT RECOMMENDATIONS

DRAFT RECOMMENDATION 3.1

Once Water Resource Plans are finalised in July 2019, the Murray-Darling Basin Authority should assess and determine the extent of over-recovery.

Basin Governments should then agree to a policy and timeframe to address any over-recovery where it has occurred.

MRFF welcomes the Commissions recommendation, notably the development of a guiding policy and timeframe to address the issue. To date, neither the NSW or Commonwealth governments have accepted governance or responsibility for addressing over-recovery in the Macquarie-Castlereagh catchments. The Commissions Draft Finding 3.4, correctly identifies that the speed and nature of water recovery between 2008-2010 have had enduring impacts on subsequent recovery processes and the social fabric of towns such as Warren.

While MRFF welcome recognition of the issue, **we strongly urge the issue be addressed as a priority and within the Macquarie-Castlereagh Water Resource Plan (thus before July, 2019).** Addressing over-recovery within the WRP process will ensure it is dealt with in a timely manner and subjected to the necessary accreditation processes.

Addressing the issue of over-recovery will augment the Australian Governments commitment to rural assistance for communities affected by water recovery, notably Warren and Narromine.

MRFF strongly recommend governments work closely with communities to ensure over-recovery is addressed in a socially suitable manner.

DRAFT RECOMMENDATION 3.2

The Department of Agriculture and Water Resources should ensure that water recovery aligns with environmental requirements and its processes for doing this are transparent.

To ensure accountability, it should publish all advice provided by the Commonwealth Environmental Water Holder (including advice on strategic purchases) once transactions are complete.

MRFF agrees that further water recovery be targeted for tangible environmental benefits and agrees with the Commissions Recommendation. However, MRFF maintains that environmental progress is fundamentally hampered by the Water Act 2007 (22.10) which specifically excludes the Basin Plan from dealing with “land use or planning, management of natural resources other than water and control of pollution”. MRFF contend that a solely water focus as a means of achieving environmental objectives is both economically inefficient and environmentally ineffective. MRFF request the Commission to consider the impact of the Water Act 2007 (22.10) and possible amendments that permit more integrated approaches to environmental management.

MRFF request the Commission to re-examine the evidence provided in our original submission, specifically the case study of the 'Burrima' property in the Macquarie Marshes. The property demonstrates the value of strategic land purchase and the associated benefits to ecological communities.

DRAFT RECOMMENDATION 3.3

If provided, the Australian Government should target any further assistance to communities where substantial adverse impacts from water recovery have been identified. This should:

- **have clear objectives and selection criteria**
- **be subject to monitoring and evaluation.**

Any support for regional development should align with the Productivity Commission's strategies for transition and development, set out in its report on *Transitioning Regional Economies*.

MRFF agrees with the recommendation and the Commissions Finding (3.6) questioning the effectiveness of the grants-based structural adjustment program. To date, funding to communities such as Narromine and Warren has not been commensurate with the loss of full-time employment and value of production.

DRAFT RECOMMENDATION 4.5

Northern Basin Governments should put in place transparent and accountable governance arrangements for implementing the Northern Basin Toolkit. These arrangements should include:

- **a mechanism to establish clear milestones to ensure the Toolkit measures are implemented within reasonable timeframes**
- **an independent assessment by the Murray-Darling Basin Authority, as Basin Plan Regulator, of progress and effectiveness in implementing the measures**

MRFF support complimentary measures and agree with the Commissions recommendation to ensure the Toolkit is delivered and environmental benefits realized.

DRAFT RECOMMENDATION 6.1

Basin Governments should immediately negotiate a pathway for granting extensions to the timelines for accrediting Water Resource Plans where there are outstanding issues to give sufficient time for adequate community engagement.

MRFF agrees with the Commissions findings and recommendations regarding Water Resource Plans. MRFF formally advocated for minimal change to the new Water Sharing Plan, citing issues with :

- Lack of progress on local and state-wide policy reform (e.g. floodplain harvesting, over-recovery, planning assumptions) has clouded the Water Resource Plan process. With such large items

unresolved it is impossible to ascertain the full impact of rule changes on resource distribution. MRFF seeks these matters to be addressed as a matter of urgency.

- Scepticism of the modelling process and whether the modelling is 'fit-for-purpose' for many of the SAP issues. Recognising the considerable uncertainties of the model, MRFF believe there is insufficient numerical evidence to warrant alteration to existing rules.
- MRFF and its members seek a stable policy environment and an opportunity to learn how best to operate within the rule constraints. Continual rule changes disrupt business operations and potentially perturb water markets.

With an extension to the WRP accreditation process, these issues could be addressed with the appropriate level of scrutiny.

An extension to the WRP accreditation would also enable over-recovery to be assessed and potentially rectified.

DRAFT RECOMMENDATION 12.2

Basin States should consider the role, costs and benefits of consistent metering policies including the role of metering standards.

Basin Governments should work with Standards Australia to formally revise standards to ensure quality and cost effectiveness in water measurement.

The new metering implementation plans being developed by Basin States should be supported by publically available business cases.

MRFF strongly supports metering standards and the need for accurate measurement of water take.

MRFF have been an active contributor to the NSW Water Metering Reform process and are advocating for a practical and fit-for-purpose roll out.

FURTHER INFORMATION

MRFF thanks the Productivity Commission for the opportunity to provide comment on the *Draft Report : Murray Darling Basin Plan: Five year review*. Please be in touch should further information or clarification on any of the comments or recommendations in this submission be required.

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