



Lifeblood Alliance submission to Productivity Commission 'National Water Reform 2024' Interim Report

Lifeblood Alliance (LBA) consists of environmental, First Nation and community groups committed to keeping the rivers, wetlands and aquifers of the Murray-Darling Basin healthy for the benefit of current and future generations. We have submitted to previous Productivity Commission water reform inquiries and have commented extensively on what should be included in the renewal of the National Water Initiative.

General comments

We broadly support the direction for NWI renewal taken by the Productivity Commission, particularly the establishment of new principles and objectives for First Nations and climate change. We question why the proposed objective for First Nations has not been strengthened since 2021 given the significant critique by First Nations¹ and the many suggestions for improvement made by them. In 2021 we suggested amending the proposed goal to: *'In committing to this agreement, the parties recognise First Nations' peoples' reverence and responsibility for rivers and groundwater systems, and their enduring rights to manage and access water resources.'* We stand by our recommendation.

From an environmental perspective we make the following suggestions, based on our previous submissions:

- A renewed NWI must accelerate the focus on addressing over-allocation and over use, with incentives and penalties for failure to tackle this issue.
- The primary outcome of the renewed NWI should be more efficient and effective use of available water sources, while reserving minimum flows for adequate water quality to sustain river and ecosystem health.
- The message needs to be front and centre that Australia's water resources are finite and limited, and that unlimited water supplies cannot be provided on request at every location or for all purposes. It is the responsibility of government to ensure fair and equitable sharing of a limited resource.
- Sustainable management of water supplies needs to be the main goal, with provision to sustain river systems with sufficient flows to enable them to continue to support extractive uses.
- There should also be a strong emphasis on recycling and re-use of water, and treating water to an appropriate quality for its intended use.

¹ See for example [Water injustice runs deep in Australia. Fixing it means handing control to First Nations \(theconversation.com\)](https://theconversation.com/water-injustice-runs-deep-in-australia-fixing-it-means-handing-control-to-first-nations)

- A renewed NWI needs to include provisions to ensure compliance and transparency, with real consequences for failure to deliver agreed actions and outcomes.
- A properly calculated Environmentally Sustainable Level of Take should be the basis for all water planning.
- A critical impact of reduced rainfall and increased temperatures under climate change is the very significant reduction in run-off. This means that existing dams will hold less water and proposed new dams will not create more water, just retain it upstream, with serious impacts on downstream communities.
- Further new dams should be opposed, with demand management, recycling and re-use preferred. Climate independent water sources should be prioritised for investment.
- Sustainable management of water resources should include measures which retain water reserves to manage through droughts.
- Transparent drought response policies should identify demand management with priorities for critical human needs and environmental resilience, followed by productive demands.
- Water trading needs to take into account third party impacts, including reduced return-to-river flows, changed seasonality of flow peaks and damage to river channels. Water trading must be underpinned by an accurate, consistent and transparent database of trades.
- Urgent commitment is needed to effective and transparent compliance measures, including penalties for failure to complete agreed actions in a timely fashion. Compliance measures should apply at all levels – federal, state and individual.
- The impacts of climate change on water availability and on environmental allocations need to be incorporated urgently into water sharing plans. Under current arrangements irrigation supplies will have a preferential right to medium frequency inflows. Water plans should include minimum end-of-system flows.
- The principle of providing minimum flows to sustain river health before allocating consumptive take is strongly supported.
- Water literacy must be improved urgently, particularly so that irrigators understand the risk of reduced allocations and the potential impact of climate change on future water availability.

Responses to selected information requests

Water security in a changing climate

Information request 3.1 What nationally agreed priority outcomes of water security should form part of a renewed NWI? How should these outcomes be treated when considering trade-offs between competing priorities and the management of risk when addressing water security concerns?

Response: An agreed hierarchy of water security should be included in the NWI with critical human needs and the environment granted highest security. Current arrangements are based on the nature

of entitlements (high security, low security etc) not the purpose of the entitlement. In times of drought town water supplies can be severely compromised due to previous allocations to consumptive use leaving dams depleted.²

Critical human needs require an agreed definition on a per capita basis for personal use (eg 100l/person/day) and provision for essential services (hospitals, schools etc). Critical human needs should be underpinned by climate independent sources of water (recycling, stormwater, desalination) to improve reliability and reduce take from rivers and groundwater.

The environment requires both secure entitlements and statutory provision for connectivity, including protection of first flushes, end of system flow targets and shepherding of planned and held environmental water to protect it from re-extraction. The recent Connectivity report to the NSW government suggests ways in which rules can be used to provide connectivity.³

Water entitlements and planning

Information request 4.1 How can a renewed NWI assist jurisdictions in establishing a consistent approach to developing climate change triggers and rebalancing processes? How can common principles help manage uncertainty, and jurisdictional and regional differences?

Response: The first requirement of climate-ready water planning is an evidence-based cap on extractions at catchment and basin scales which is informed by climate projections, backed up by protection for environmental flows, provision for latitudinal and longitudinal connectivity (ie catchment plans that have end of system targets and relate to each other), accurate water accounting and recognition of the fundamental connection between ground and surface water. These attributes should be embedded in all water planning and shouldn't need a climate trigger to bring them into force.⁴

Given the uncertainty around climate change predictions a 'war-gaming - scenario based approach' to water resource planning should be deployed with a particular emphasis on prolonged drought and extreme floods, and an appropriate focus on eco-resilience during 'normal' flow regimes.

Climate triggers should pay heed to the precautionary principle and not wait for scientific certainty to come into effect. We already know our climate has changed and that the rate of change is accelerating. The Interim Inspector General's work showed that inflows in the MDB have already declined by about half over the past 20 years and that the frequency of dry years has increased significantly⁵. The recent La Nina years should not be assumed to have changed that conclusion. A strong argument can be made that a tipping point has already been passed and that Basin Plan 2 should in effect be a response to a climate trigger.

The principles for rebalancing have already been laid out in the Commonwealth Water Act⁶ – meeting ecological needs and establishing an environmentally sustainable level of take first, followed by optimising social and economic outcomes. A broad framework that accommodates all the benefits of healthy rivers (ecosystem services, cultural, recreational, amenity, tourism etc etc) is required.

² See LBA 2020 submission for full details (attached)

³ Connectivity Expert Panel Interim Report, March 2024 [connectivity-expert-panel-interim-report.pdf \(nsw.gov.au\)](https://www.nsw.gov.au/connectivity-expert-panel-interim-report.pdf)

⁴ See EDO submission for fuller discussion of climate ready water planning [Submission 50 - Environmental Defenders Office \(EDO\) - National Water Reform 2024 - Public Inquiry \(pc.gov.au\)](https://www.pc.gov.au/submissions/2024/50-environmental-defenders-office-EDO-national-water-reform-2024-public-inquiry)

⁵ Interim Inspector General of MDB Water Resources (2020) Impact of lower inflows on state shares under the Murray-Darling Agreement [ijg_final_report.pdf \(igwc.gov.au\)](https://www.igwc.gov.au/ijg_final_report.pdf)

⁶ Commonwealth Water Act 2007 s3 Objects

Rebalancing must take Cultural outcomes into account and address the historic injustice experienced by First Nations. Assistance for communities to reduce their reliance on irrigation and transition to less water dependent futures is also essential. The benefits of transition have been extensively researched⁷.

Community partnerships and adjustment

Information request 11.1 In the past three years, what, if any, improvements have been made by governments to improve community engagement processes? Where engagement has occurred or feedback provided by community groups, do those groups feel they have a greater understanding of how decisions were taken and what consideration was given to community views?

Response: MDBA has markedly stepped up its engagement with Lifeblood Alliance since the change in federal government in 2022. We have had more engagement through regional forums, peak groups and now some individual members have been appointed to the BCC. As a result we have a better understanding of MDBA decision making processes. However we remain heavily outnumbered in any representative forum by irrigator interests and other interests such as tourism are under-represented.

We have seen little change in state government processes, particularly in NSW and Victoria, which remain heavily politicised. We have been able to meet with some politicians and bureaucrats on an ad hoc basis.

For further information about this submission, please contact Juliet Le Feuvre, lifbloodalliance@gmail.com

24th April 2024.

Lifeblood Alliance Member Groups:

Australian Conservation Foundation, NSW Nature Conservation Council, Conservation Council of South Australia, Environment Victoria, Queensland Conservation Council, Murray Lower Darling Rivers Indigenous Nations, River Lakes and Coorong Action Group, Inland Rivers Network, National Parks Association of NSW, Goulburn Valley Environment Group, Healthy Rivers Dubbo and Central West Environment Council

⁷ See for example Wheeler et al (2023) Identifying the water-related economic values of the Murray-Darling Basin and rating the quality of water economic studies [mdb-outlook-economic-literature-review2.pdf \(mdba.gov.au\)](#); Wittwer, G (2020). *Modelling variants of the Murray-Darling Basin Plan in the context of adverse conditions in the Basin*. Report commissioned by the Panel for the Independent Assessment of Social and Economic Conditions in the Murray-Darling Basin. Centre of Policy Studies, Victoria University, Melbourne.