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Submission

Productivity Commission

Murray-Darling Basin Plan – Five-year Assessment

Issues Paper

Introduction

The NSW Irrigators' Council (NSWIC) is the peak body representing irrigators and the irrigation industry in NSW. Our Members include valley water user associations, food and fibre groups, irrigation corporations and commodity groups from the rice, cotton, dairy and horticultural industries. Through our members, NSWIC represents 12,000 water access licence holders in NSW who access regulated, unregulated and groundwater systems.

NSWIC engages in advocacy and policy development on behalf of the irrigation sector. As an apolitical entity, the Council provides advice to all stakeholders and decision makers.

This submission represents the views of the Members of NSWIC with respect to the Productivity Commission's five-year assessment of the Murray-Darling Basin Plan (Issues Paper). However, each member reserves the right to independent policy on issues that directly relate to their areas of operation, expertise or any other issues that they may deem relevant.

General Comments

The NSW Irrigators' Council (NSWIC) welcomes the opportunity to provide comments to the Productivity Commission's first five-year assessment of the Murray-Darling Basin Plan (Basin Plan). Prior to providing specific comments to the Issues Paper's questions, NSWIC would like to point out that the drafting and implementation of the Basin Plan has not been without challenges, confusion and frustration to irrigators and the irrigation industry, who continue to find themselves in a perpetual state of uncertainty surrounding the final environmental water recovery targets, the management and governance of the Commonwealth environmental water, and the future river operations rules that will dictate when, how and under what circumstances water licence holders in NSW are able to take water.

NSWIC and its members have been deeply concerned about the lack of balance with the Basin Plan and the inability of Federal Government agencies to truly integrate the triple bottom line objective of the Water Act 2007 (s.3c). These concerns have not been alleviated by the recent discussions that suggest further concessions and preferential treatments to the held (Federal and State) environmental water holdings (e.g. via operational rule amendments within the Water Resource Plans or via the Water Management Act 2000). These discussions and proposed draft regulatory amendments pose the very real risk of eroding irrigators' reliability and undermining their rights to use water. NSWIC would welcome an analysis by the Productivity Commission of the potential risks of these proposed amendments as part of its five-year Basin Plan assessment, in order to establish whether the draft amendments are at necessary and sufficient condition of the Basin Plan and the triple bottom line objective of the Water Act 2007 or whether other key assessments need to precede these amendments (e.g. ongoing evaluation of the environmental benefits of previous water recovery efforts or an assessment of whether complementary measures and partnerships could better fulfil the requirements of the Water Act 2007 and Basin Plan 2012).

Following from the last point, NSWIC stresses that the Productivity Commission must incorporate a thorough triple bottom line assessment of the Basin Plan implementation and should consider reviewing the current (working) definition of the social and economic neutrality test (please see

our response to Question 2). This re-assessment of the social and economic neutrality test is of critical importance for irrigators and the irrigation industry in NSW as there is the view that the Basin Plan has placed far too much emphasis on the environmental needs of the Murray-Darling Basin compared with social and economic impacts of the water reform process. As evidenced in both the Murray-Darling Basin Authority's Northern Basin Review and the southern basin's social and economic impact assessments, some communities have disproportionately suffered (and are suffering) from the outcome of the previous water reform process and previously ill-targeted early environmental water recovery efforts by the Federal Government. There should be no doubt that a true triple bottom line assessment cannot lead to an outcome that would see some communities decimated without raising concerns under a social-economic neutrality test that only factors in the monetary compensation of water licence holders for their transfer of entitlements to the Commonwealth. There is no doubt that the effective and enduring Basin Plan must lead to both a healthy environment and thriving communities and industries across the entire Murray-Darling Basin. On its current trajectory and with the current definition of social and economic neutrality, NSWIC is doubtful this goal is achievable.

Despite this criticism, NSWIC wishes to highlight that achievements have been made through the Water Act and Basin Plan (e.g. some of which are yet to be fully monitored and assessed). It cannot be ignored that through the Water Act and the Basin Plan, significant volumes of water have been recovered for the sole purpose of protecting and preserving the environment. These volumes of water have been deployed and used to protect, preserve and restore the Basin's environment and ecosystems. As outlined by reports commissioned and prepared by both the Murray-Darling Basin Authority and the Commonwealth Environmental Water Office, these environmental watering actions have benefited the environment in various ways. NSWIC calls on all Federal Government agencies with environmental watering responsibilities to intensify their efforts to monitor and assess the environmental benefits of previous and future watering activities and articulate clearly where and through what actions, environmental benefits have been achieved. Similarly, NSWIC and its members also want to know where there have been challenges in the deployment of environmental water and how these challenges could be addressed. To do this, ongoing stakeholder consultation will be required to find more optimal solutions and mitigate third-party impacts. Adaptive management has been a key component of the Water Act and the Basin Plan and it is critical that we move away from a rhetorical to an active application of this principle.

In this vein, NSWIC is deeply concerned that some elements of the community and special interest groups will use the opportunity to comment on the five-year assessment of the Basin Plan to simply point out all the failures and missed opportunities of the Basin Plan and henceforth defend further environmental water recovery in line with previous guides and draft to the Basin Plan. These are unrealistic demands that have been proven to be unachievable and hence will not aid the progress of implementing the Basin Plan in the tight timeframe that is imposed through the Act and subordinate regulation. It is important that we move forward – not backwards – and utilise the knowledge and science that has been acquired since the Water Act and Basin Plan were signed into law. This will mean thinking more creatively around how the acquired environmental water could be best utilised to fulfil the objective of the Basin Plan and how the regulatory and governance framework could be adapted to create more transparency, efficiency and mitigation of further third-party impacts.

However, this will also mean that there needs to be an honest assessment about the deliverability (e.g. including the efficient delivery) of the recovered environmental water within the Murray-

Darling Basin. An assessment about the effectiveness of the MDB Plan cannot be done without acknowledging there are constraints within the system and it is simply fruitless to continue to discuss flow targets when outcomes should be the real focal point for the discussion. This will mean that we need to go beyond this narrow narrative around flows and start talking about complementary measures and partnerships that are able to improve the environmental health of the Basin and its river systems within existing constraints.

Finally, NSWIC stresses that five years in the context of the Basin Plan is an extremely short time period that is unlikely to fully highlight the benefits of the Basin Plan or able to disentangle the impacts of the Plan from other natural climate variabilities. In either instance, an assessment of the Basin Plan at this early stage is a lot more difficult than another assessment might be in 2024 when the Plan will be fully implemented and there is likely be more tangible proof of the long-term recovery of the environment across the Murray-Darling Basin. As such, the Productivity Commission's five-year review should focus on whether things are on track and whether there are opportunities to improve the delivery of the Plan in the tight timeframes that are dictated by the Water Act and the MDB Plan.

Water reform in Australia will continue to be complex, however it will be important that there is broad-scale commitment from both State and Federal Governments to ongoing funding and resourcing of the reform process. Furthermore, funding and resourcing must be provided long-term to assess, monitor and evaluate the positive and negative effects of the Basin Plan and ensure that future adaptive management approaches do not drive perverse outcomes. As such, NSWIC calls for a holistic assessment of the MDB Plan, taking into account other policy areas that could influence the effectiveness of the Plan and the broader water reform process.

Specific Comments

The NSW Irrigators' Council would like to provide the following specific comments to the Productivity Commission's Issues Paper:

Question 1: The Commission welcomes feedback on its approach in assessing the Basin Plan

As outlined in the introduction to this submission, it is difficult to assess the effectiveness of the Basin Plan implementation while the Plan is still being implemented. NSWIC suggests that the Productivity Commission's next review will provide more useful and concrete findings and learnings about what has and has not worked within the implementation phase.

Further, NSWIC stresses that there have been a range of external factors that have either benefited or hindered the implementation of the Basin Plan which do not independently relate to actions taken by State and Federal Government and other stakeholders (e.g. significant climate variability). As such, it is important to acknowledge that tangible improvements to the natural environment within the Basin might not be yet observable and hence it would be incorrect to judge the 'interim' state of the Murray-Darling Basin's natural environment and ecosystem based on the very short time horizon of five years. Having said this, NSWIC expects that the Commission will provide strong support for ongoing monitoring and evaluation of the environmental outcomes from previous (and potential) water recovery processes and environmental watering activities, recognising that this assessment will be critical to ultimately evaluate whether the Basin Plan has achieved its intended objectives.

In the same vein, NSWIC would like to point out its ongoing frustration with the Federal Government agencies' focus on 'flow' as an indicator for the effectiveness and success of the Basin Plan. While Question 8 of the Productivity Commission's Issues Paper raises the point of Complementary Measures and other Natural Resource Management initiatives, the Council hopes that the Commission takes a broader (evaluation) perspective and considers these alternative measures when evaluating not only the effectiveness of the Basin Plan, but also assesses what further work needs to take place to protect and restore the health of the Basin whilst mitigating any further impact on Basin communities and the irrigation industry.

In respect of this last point, NSWIC is of the view that the Commission's approach to evaluating the effectiveness of the Basin Plan must be rooted in the triple bottom line objective contained in the Water Act 2007 – e.g. balancing the social, economic and environmental outcomes of the water reform process. All too often, the focus has been on favouring an assessment of the 'environmental outcomes' of the Basin Plan, whilst social and economic evaluation have come as an afterthought. NSWIC is of the view that this unbalanced assessment needs to change, and we urge the Productivity Commission to re-balance this assessment through this five-year review work.

Concerning the Commission's understanding of 'effectiveness' (e.g. taken to mean 'actions required to implement various elements of the Plan'), NSWIC would like to raise its concerns that the rigidity of the timeframes imposed on the Basin Plan implementation have not assisted in progressing with the Plan in the most optimal way. Particularly, the timeframes have been so tight that a thorough assessment and evaluation of some of the risks (e.g. within the development of the Water Resource Plans) have often not been possible. While NSWIC admits that this is partially due

to a failure by governments to not progress with the review of the previous NSW Water Sharing Plans, it has also been the fault of the Murray-Darling Basin Authority by not providing further guidance on its (Water Resource Plan development) position statements (please see answers to Question 8 and 9). Unfortunately, water licence holders had to pay the price for these delays in terms of a shortened consultation timeframe and insufficient risk assessment (to date).

In terms of the Commission's statement on 'assessing the water targets', NSWIC would like to highlight that the future water recovery target is very much in flux (e.g. due to the disallowance motion that is currently before the Federal Parliament). Dependent on the outcome of the disallowance motion, there is a risk that significant additional volumes of water would need to be recovered in an incredibly short timeframe. Similarly, there is an ongoing debate (and concerns) about the recovery of the additional 'up-water' under the Sustainable Diversion Limit Adjustment Mechanism. Further, should the Murray-Darling Basin Authority continue down the path of pushing for a review of the Long-Term Average Annual Yield factors (LTAAY) – despite significant concerns raised by irrigators and the irrigation industry – then this could also have a significant impact on the water recovery target. The risk of a review of the LTAAY factors is real and has therefore has not been supported by NSWIC except in two NSW valleys – Gwydir and Macquarie - where the factors have been clearly incorrectly determined. A general review of these cap factors creates unnecessary uncertainty and would be seen by the irrigation industry as a blunt attempt to claw back additional volumes of environmental water.

Furthermore, NSWIC would like to draw the Commission's attention to the often poor and inadequate consultation and engagement as part of the Basin Plan implementation. As outlined previously, it has often been the case that stakeholders were often talked 'at' instead of 'with', hence the Council would welcome the Commission's inclusion of 'stakeholder consultation' as part of the assessment process.

In terms of actions required to effectively implement the Basin Plan, NSWIC would suggest the following:

- There needs to be an ongoing evaluation of the environment outcomes from the environmental watering activities.
- There needs to be ongoing evaluation of the social and economic outcomes from the Basin Plan implementation and operation (including a holistic assessment of which other policy areas the Basin Plan and the broader water reform process have been impacted).
- There needs to be further time to finalise the Water Resource Plans in order to undertake an appropriate review and assess all potential risks to licence holders.
- There needs to be further consideration of appropriate synergies and partnerships to achieve better and more enduring environmental outcomes.
- There needs to be a re-evaluation of the social-economic neutrality test.
- There needs to be a re-evaluation of the stakeholder consultation and engagement strategies related to the Basin Plan implementation.

Question 2: The Commission is seeking information on

- A. Risk 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.**

With the disallowance motion on the 605GL supply measure projects currently before the Federal Parliament, NSWIC contends that the risks to implementation the SDL Adjustment Mechanism is broader than the question of whether the States are able to successfully implement the supply measure projects. After a decision on the disallowance motion, NSWIC would gladly re-engage in a conversation on the feasibility and risks around the implementation of these projects.

Having said this, NSWIC has to date provided ‘in-principle’ support for the SDL supply measure projects on the basis that further risk assessment and stakeholder engagement is required before stakeholders would be happy to support all of these projects. In this context, NSWIC reiterates the concerns of several of its members that there is insufficient detail on some of the SDL supply measure projects to fully comment on the feasibility of these projects. NSWIC members seek this information to fully evaluate the risks and potential unintended consequences of these projects. NSWIC looks forward for further information from the NSW Department of Industry and the Murray-Darling Basin Authority on this matter.

In addition, NSWIC stresses that the achieved savings from the SDL supply measure projects (if the proposal is not disallowed) will remain uncertain until these projects are actually finalised. Thus, whether or not there are risks to the implementation of these projects can only really be evaluated post 2024 (i.e. at the reconciliation period). Should these supply measure projects yield less than 605GL in supply measure offsets, there are of course risks that further environmental water recoveries will be required – a concern that is shared amongst all NSWIC members.

Furthermore, NSWIC has long been concerned about the funding required for the SDL Adjustment Mechanism (e.g. ongoing maintenance and operation). NSWIC believes there has been insufficient attention paid to who will ultimately pay the ongoing maintenance and operating costs of the infrastructure that will be built as part of the adjustment mechanism for the benefit of the environment. Under the current NSW water charge frameworks, it would likely be the case that these costs would be partially born by water licence holders, an outcome that NSWIC does not support. A closer assessment of this issue is warranted.

NSWIC would also wishes to point out that the SDL Adjustment Mechanism will be dependent on a range of other Basin Plan related components (e.g. the Pre-requisite Policy Measure, Constraints Management, Water Resource Plans). As some of these components have not yet been completed (or even commenced), it will be difficult to assess the risks to the SDL adjustment projects.

In relation to Part B of Q2, NSWIC has questioned the current definition of the social and economic neutrality test on numerous occasions, as we believe it is too narrow to adequately capture the full social and economic impacts of the Basin Plan (in particular the environmental water recovery through direct purchases). The definition needs to be broadened to incorporate the social and economic impacts of Basin communities and regions as well as whole of industry assessment that results from water leaving a district. Whether or not a broadening of the definition would impact on the ability to deliver the Basin Plan “on time and on budget” appears to be of secondary importance to the need to fulfil the requirement of the Water Act 2007 to balance the social, environmental and economic needs. If this triple bottom line assessment is based on flawed assumptions it will provide a skewed picture of the true impacts of the Basin Plan and perpetually lead to an improper and unbalanced assessment of the Basin Plan implementation. As the Northern Basin Review and the current social and economic assessment in the southern connected system have shown, there have been real social and economic costs of the Basin Plan implementation to date.

In relation to Part C of Q2, NSWIC suggests that before considering alternative water recovery options, there needs to be a better understanding of the environmental needs within the Murray-Darling Basin and an ongoing evaluation of the environmental benefits from already recovered environmental water. Without this evaluation, we continue to chase further water recovery without a solid understanding of what it should be used for. NSWIC contends that the question should not be “how can more water be recovered on behalf of the environment?” but “how can we best achieve the objectives of the Basin Plan with the water that has already been acquired?” We need to step away from thinking of water as a simple balance sheet measure where any increase to the environmental water bucket at the expense of productive water will necessarily lead to an improved environmental outcome.

However, NSWIC also emphasises that ‘adaptive management’ is built into the Water Act 2007 and Basin Plan 2012 and, as such, other novel approaches should be considered and assessed in order to determine the benefits and risks to all stakeholders. These alternative measures could also include other market mechanisms or financial incentives, partnerships or the use of complementary measures.

Question 3: The Commission is seeking information on actions Governments should now take to achieve SDLs in the Northern Basin.

NSWIC urges the Commission to seek input from NSWIC members in the Northern Basin on feedback on this issue.

Having said this, NSWIC would like to voice its significant disappointment that the previous Basin Plan amendments – which included recommendations from the Northern Basin Review – were disallowed despite the fact that they followed nearly four years of in-depth review and assessment by the Murray-Darling Basin Authority and multiple stakeholder consultation sessions. In addition, the Northern Basin Review had bipartisan support when the Basin Plan was signed into law in 2012 as it was recognised that there were gaps in the knowledge and understanding of the environmental, social and economic factors that make up the Northern Basin. The Murray-Darling

Basin Authority subsequently undertook an extensive and peer reviewed four-year study of the Northern Basin that concluded that a modest 70GL increase in SDL could occur without any negative environmental impacts.

Disallowing these amendments – despite clear evidence of no negative environmental impacts - has been a significant blow to Northern Basin communities and NSWIC considers it a missed opportunity. We would urge the Federal Parliament to again consider these amendments at a later stage particularly since they would have paved the way to consider implementing the toolkit measures – a mechanism that could have led to even greater environmental benefits.

It should not be ignored that the Murray-Darling Basin Authority in its assessment of the Northern Basin found significant social and economic impacts from previous water recovery efforts by the Federal Government. Any possible further water recovery that may now need to take place – as a result of the previous disallowance motion – must consider the additional costs that will be imposed on communities in the Northern Basin. Again, NSWIC urges the Commission to thoroughly consider the input provided by NSWIC's Northern Basin members on this issue.

Finally, NSWIC also stresses that further thought needs to be given to the 'over-recovery' that has already occurred in some northern valleys. NSWIC expects the Commission to make a recommendation in respect to this issue.

Question 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.**

NSWIC recommends that the Commission closely liaises with NSWIC's Southern Basin members on the topic of constraints management. Having said this, NSWIC would like to point out that the delay in consulting on constraints management has been a partial failure of Government as there has been no clear direction on which agencies were supposed to undertake the consultation on this matter.

In addition, NSWIC wishes to point out that previous research reports have shown that in order to achieve improved environmental outcomes, all constraints would need to be lifted. If not, the benefits are minimised or alternatively, the constraint is simply moved further down the system. Further assessment around the risks, the challenges and the costs of removing constraints in the system needs to be conducted before this issue can be progressed.

Question 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. Risk 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 delivered water from water-saving infrastructure projects.

First of all, NSWIC has long supported the Federal Government's focus on prioritising infrastructure investment over direct purchases to bridge any gap under the Basin Plan. This environmental water recovery strategy recognises that direct water purchases have had a significant social and economic impact on some Basin communities evidenced by the Northern Basin Review analysis and the socio-economic assessment work in the Southern Connected System. NSWIC is pleased that the Federal Government recognised this impact and enshrined the 1500GL cap on purchases in the Water Act 2007 and thereby strengthened the link to the triple bottom line objective of the Act.

Secondly, NSWIC would like to point out that 'the gap' in water recovery will strongly depend on other developments (e.g. the disallowance motion that is currently before the Federal Parliament and the possibility of a reintroduction of the Northern Basin Review amendments at a later point in time as well as a review of the Long Term Average Annual Yield factors (see below)). If the outcomes of these developments are favourable, then the answer to this question is moot as no further water recovery will need to take place.

Should a gap remain, the risks will be proportionate to how much more environmental water needs to be recovered. Due to the voluntary nature of the environmental water recovery efforts (e.g. the transfer of water access entitlements from willing sellers to the Federal Government) there is always a risk that the 'value for money assessment' of the Commonwealth does not align with the existing licence holders' view of the value of their water entitlements and hence they choose not to participate in any future tender purchase process or infrastructure funding rounds. It should not be underestimated that the 'low hanging fruit' is gone – future environmental water entitlement recovery will become even more difficult as individual licence holders re-evaluate the net worth of their water entitlements.

In terms of Part C, NSWIC has long supported strategic purchases and infrastructure investment which the Council believes is a preferable environmental water recovery strategy that has worked well in those instances where it has retained further productivity capacity in regional communities. However, NSWIC has long criticised the early water recovery efforts by the Federal Government which have been non-strategic and caused significant social and economic harm across the Basin without any corresponding environmental benefits.

Question 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 outcomes 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 lesson can be learnt from past programs.**

While NSWIC acknowledges that all the recovery of water on behalf of the environment has been fully compensated, this monetary compensation for water entitlement holders (i.e. either via direct purchases or infrastructure investment) has not extended to a compensation to Basin communities where water has left the district. As highlighted in the Northern Basin review and the Murray-Darling Basin Authority's socio-economic assessment of the Southern Basin, some Basin communities have disproportionately suffered as a result.

Also, NSWIC stresses that recent social and economic studies in the Northern and Southern Basin confirm that water entitlement purchases (compared to infrastructure investment) have a much more significant social and economic impact. As such, NSWIC is concerned about recent suggestions made by some interest groups that buybacks should be reintroduced as a preferred method to recover water for the environment. Those who make these suggestions fail to acknowledge that funding provided by Government for these programs is generally a once-off capital funding – meaning that the program must be able to generate ongoing benefits. Where funding is directed to infrastructure, particularly efficiency programs, the ongoing benefit is achieved by maintaining or expanding production – hence leading to enduring beneficial outcomes.

While NSWIC would urge the Commission to liaise with our member organisations and Basin communities who have been directly involved in specific assistance programs, the Council suggests that some of the social and economic adjustment funding has not been well targeted (e.g. via projects outside the basin) or achieved its desired intent. Additional assessment about what is needed and where, will be key to mitigate further social and economic impacts from the Basin Plan implementation.

Similarly, NSWIC encourages the Commission to review the effectiveness of structural adjustment assistance funding with the objective to develop a program that improves the delivery of assistance where it is most needed. In particular, future structural adjustment assistance should focus on returning investment and employment to communities and ensure long-term economic activities in communities that have been most significantly impacted by environmental water recoveries. Well targeted structural adjustment funding can have a positive impact on communities, but it must be applied in a way that builds up a community's competitive advantage and provides long-term increases in job opportunities and production.

Finally, it must be stressed that the transfer of water entitlements from agriculture to the environment has had direct and indirect economic impact via loss in actual or potential economic activity. This loss in economic activity has rarely been quantified in the context of the social and economic assessment work to date.

Question 7: The Commission is seeing 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. How effective Basin States have been in consulting with all relevant stakeholders**
- D. The main risks to planning assumption work being finalised over time.**

NSWIC believes that one of the main risks to the finalisation and accreditation of the NSW Water Resource Plans remains the absence of the Murray-Darling Basin Authority's policy positions on how the Basin Plan WRP related requirements will need to be met. For example, positions on the following issues have not been finalised and communicated to the Basin States and stakeholders:

- a) How 'no net reduction in the protection of planned environmental water' will be assessed; and
- b) What constitute a 'reasonable excuse' for SDL non-compliance

Drafting of the NSW Water Resource Plans for public exhibition cannot be completed until these remaining key state-wide policy positions have been finalised. As such, NSW does not appear to be in a position to undertake the Basin Plan required consultation tasks within the legislative timeframe that would then lead to an accreditation of the Water Resource Plans prior to 30 June 2019. A case in point is the required consultation with communities, licence holders and indigenous nations on issues around cultural flows has not yet even commenced.

Further, whilst the NSW Pre-requisite Policy Measures Implementation Plan was agreed to by the Murray-Darling Basin Authority, there is no evidence that the required work to implement this Plan by June 2019 is being undertaken. It should be noted that the NSW Pre-requisite Policy Measures Plan identifies considerable work remaining to be undertaken to address fundamental issues – for example, how potential impacts due to an attempt to "piggyback" environmental flows will be addressed. This work will require significant modelling work to be undertaken, extensive stakeholder consultation, as well as the drafting of rules protecting against third-party impacts.

In addition, NSWIC understands that amendments to the NSW Water Management Act 2000 (WMA) will be required if NSW is to comply with the Water Act 2007 and the MDB Plan requirements in respect to 'critical human water needs and extreme event management'. Whilst the NSW Government appears to be progressing the development of WRP rules to manage extreme events, there is significant doubt whether the necessary amendments to the WMA will occur by June 2019. NSWIC makes this assessment on the basis that the proposed package of amendments to the WMA (e.g. proposed under the Water Reform Action Plan) do not include such required changes.

And finally, whilst water users are represented on NSW's Stakeholder Advisory Panels (SAPs), their issues have not been considered or addressed through these forums despite the fact that they were set up to advise the NSW Government on individual Water Resource Plan developments. NSWIC believes that this omission is mainly due to the lack of the NSW Departmental resourcing in the policy development, planning and modelling area but are also due to the tight timeframes for the WRP developments. As a result, there has been either little or no consultation on most of the key State-wide policy issues like 'Planning Assumptions' or the 'Reasonable Excuse Provisions' – both of which are critical policy areas for SDL compliance and WRP development. Water users are

extremely disappointed by this lack of progress and are concerned that there is now insufficient time for their issues to be adequately considered and addressed.

In respect to other ways WRPs or associated planning processes could be changed to better meet objectives of the Basin Plan (Q 7 b), irrigators remain concerned about the MDBA's current strict interpretation of how the Basin Plan's 'no net reduction in the protection of planned environmental water' should be interpreted and assessed. Whilst the Murray-Darling Basin Authority has produced Position Statement 6A which is intended to provide guidance on how this requirement will be assessed, the lack of detail in the Statement currently results in a very strict interpretation by some MDBA staff. In effect, this leaves no room for negotiation around potential rule changes even where the changed environmental outcomes could be marginal and the substitution of planned environmental water by held environmental water would be very unlikely to occur.

If a similar position was to be taken regarding agreements to protect against third party impacts as a result of the implementation of the Basin Plan, then there is unlikely to be any ability to make rule changes to the benefit of both environment and water users. Water users are therefore of the view that:

- a) greater flexibility around the interpretation of 'no net reduction in planned environmental water' needs to be adopted; and
- b) the Murray-Darling Basin Authority needs to finalise its process for assessing the 'no net reduction in the protection of planned environmental water' requirement.

Question 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 legislative 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 Australia and State Government objectives for the delivery of environmental water align, any example 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.**
- 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.**

In respect to Part A of Q8, NSWIC is of the view that the timeframes for the development of each environmental watering plan should complement the development of the respective NSW Water

Resource Plans (WRPs). This would ensure that the requirements of the environmental watering plans can be fully considered by the Stakeholder Advisory Panels when making recommendations on the WRPs. Unfortunately, these two processes appear to be completely out of sync in NSW, potentially leading to perverse and conflicting outcomes in the development of the WRPs.

Furthermore, irrigators and irrigation representative bodies have been provided with little insight over the developments of the individual environmental watering plans; hence NSWIC is unable to comment on whether the environmental objectives are achievable within the legislative timeframes. NSWIC wishes to note that this lack of oversight is not reflected in the development of the NSW WRPs, as environmental stakeholders and representative organisations are represented on the individual valley SAPs.

In respect to Part B of Q8, NSWIC continues to be concerned about the coordinated management and delivery of environmental water in the State. The Council contends that there is insufficient clarity on how much environmental water there is in NSW, how it is deployed, and how the planning and management process is achieving environmental outcomes. NSWIC has long called for greater transparency around the volume of held and planned environmental water in NSW and on whether these volumes are achieving its intended policy objective.

Further, from 30 June 2019, the delivery of environmental water is supposed to be undertaken in accordance with the NSW Pre-requisite policy measures – subject to further implementation work being completed. Until then, the delivery of this water can only really be undertaken with the cooperation of WaterNSW, the Commonwealth Environmental Water Office, the NSW Government agencies and water users. As a result of these coordination challenges, there may be times when the environmental outcomes are not as effective or efficient as anticipated. However, it is important that the Productivity Commission does not judge the efficiency and effectiveness of the environmental water delivery against a Basin Plan standard that is not yet fully implemented. Any attempt to do so would be inequitable and mis-represent the current operational rules prevalent in NSW.

In relation to Part C and D of Q8, NSWIC reiterates the point made early in this submission. The NSW Pre-requisite Policy Measure Implementation Plan has been agreed to by the Murray-Darling Basin Authority, however there is no evidence that the work required to be undertaken by the NSW Government in order to implement this Plan by June 2019 is currently being undertaken. The NSW Pre-requisite Policy Measures Implementation Plan identifies considerable tasks that need to be undertaken to address key implementation issues, for example how potential third-party impacts due to “piggybacking” will be addressed. This work will require significant modelling effort, the drafting of new operational and account management rules, and proper consultation with stakeholders. None of this work appears to be progressing at this point.

And finally, NSWIC response to Q e Q8 would be, that flows alone will not be sufficient to achieve the most efficient and effective environmental outcomes. NSWIC has, together with other agricultural representative bodies, long advocated for the consideration of complementary measures (including other NRM) to facilitate the achievement of the Basin Plan’s environmental objectives. The Murray-Darling Basin Authority’s Northern Basin Review as well as the work of many other organisations and Government entities shows the potential benefits that can be

achieved through other non-flow complementary measures. NSWIC urges the Productivity Commission to recommend further work on the potential benefits of these complementary measures.

Question 9: The Commission is seeking information on:

- A. Any inconsistencies between the various national water quality guidelines and the water quality management plan requirements in WRPs and whether these inconsistencies are being resolved and managed.**
- B. The adequacy of the actions of water managers to achieve the water quality objectives of the Basin Plan.**

Firstly, NSWIC wishes to note that managing water quality with the Murray-Darling Basin is challenging due to the vast distances and the shallow and slow flowing rivers. The Council acknowledges that there have been (and will continue to be) issues around managing water quality in some areas of NSW which need to be adequately addressed in order to protect human lives, communities and the environment.

In respect to Part A of Q9, NSWIC has not been directly consulted on the development of water quality management plans for the individual WRPs, however these discussions may have taken place within the individual SAPs to which NSWIC is not a direct member. Having said this, NSWIC would like to refer the Productivity Commission to our responses to questions 7 and 8 for a detailed discussion on our members' concerns about the SAP process and stakeholder consultation.

However, NSWIC also points out that in NSW rivers, WaterNSW, NSW Department of Health, the Department of Industry and the Environmental Protection Agency have jurisdiction over water quality issues. Given the multitude of departments responsible for water quality management, NSWIC suggests an audit is prudent to determine what additional amendments may be required to ensure NSW is Basin Plan compliant (e.g. legislative and policy).

In response to Part B, NSWIC is of the view that despite the challenges, State water managers have tried to manage water quality, however the conflicting Federal/State water management jurisdictions (e.g. around the management of Menindee Lakes) have potentially undermined/negated an effective response to water quality issues. As NSWIC is not an expert in water quality issues, we would welcome the assessment of other professionals and would refer the Productivity Commission to responses from other NSWIC members.

Question 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 Basin Plan**
- B. Whether changes to state trading rules made to date as part of implementation of the Basin Plan adequately recognises 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.**

While NSWIC supports an effective and efficient water market, the Council does not itself get involved in any direct water trading activities. As such, NSWIC urges the Productivity Commission to refer to submissions made by NSWIC member organisations, including the Irrigation Infrastructure Operators for feedback on the current Basin Plan trading rules and areas for possible future improvement.

Overall, it should not be ignored that there are significant complexities in the water trading rules prevalent in the Murray Darling Basin. Where these rules reflect real physical and geographical constraints, they should be considered reasonable, however it will be important that these rules are reviewed regularly to ensure that they remain reasonable and appropriate (e.g. as conditions and circumstances change which may necessitate amendments to the trading rules to accommodate emerging issues).

Further, NSWIC believes that there could be opportunities to improve the consistency of water trade reporting (including prices) across Basin jurisdictions. As far as the Council can ascertain, the Basin Plan and its trading rules have not helped in this regard. As a case in point, it seems astonishing that multiple agencies responsible for water management, operation and trade reporting are unable to synchronise their IT systems to a basic level of compatibility, which likely leads to inefficiencies (e.g. in operation and fulfillment of trade orders) and additional costs as trade participants are required to spend additional time to obtain, review and translate different data sources from different departments (e.g. the quantity and purpose of aggregate water releases from dams).

In addition, NSWIC suggests further attention should be paid to the transaction costs of moving water between Basin State jurisdictions, which currently seems inefficient and (broadly) unnecessary.

Also, the Basin Plan trading rules seem to have contributed little to improve water market information and it is not entirely clear to the Council which functions and services the Murray-Darling Basin Authority's water market division provides. NSWIC suggests that other initiatives (e.g. the water market information app tool developed by Aither for the NSW Department of Industry as well as others) have provided greater benefits to water market participants than most direct government initiatives. NSWIC suggests that some of these (non-government) developments/initiatives could be supported to increase water market transparency and educate the general public about the Australian water markets.

Finally, NSWIC made a submission to the Senate Standing Committee on Rural and Regional Affairs and Transport on its inquiry into the integrity of the water market in the Murray Darling Basin,

which we would like to refer the Commission to for additional comments on water markets and water trading¹.

Question 11: The Commission is seeking information on:

- A. Risks to meeting critical human water needs under the Basin Plan, and 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.**

As outlined in our response to Q7, NSWIC understands that NSW has prepared draft 'Extreme Event Management' policies for the respective WRPs that are designed to address critical human water needs. These policies are currently being consulted on via the NSW SAPs but are not yet finalised. Until this process is complete, NSWIC is unable to comment on whether further amendments to these policies/ plans are required to meet the critical human water needs provisions under the Basin Plan.

However, NSWIC understands that amendments to the NSW Water Management Act 2000 (WMA) will be required if NSW is to comply with the Water Act 2007 and the MDB Plan requirements in respect to 'critical human water needs and extreme event management'. Whilst the NSW Government appears to be progressing the development of WRP rules to manage extreme events, there is significant doubt whether the necessary amendments to the WMA will occur by June 2019. NSWIC makes this assessment on the basis that the proposed package of amendments to the WMA (e.g. proposed under the Water Reform Action Plan) does not include such required changes.

In conclusion, NSWIC would like to point out that managing critical human needs in extreme events is an important and challenging issues that will require tailored approaches to protect human lives, communities and the environment. It should not be ignored that under current NSW water management legislation, the responsible Minister for Water has the ability and legislative powers to suspend a NSW Water Sharing Plans if required to protect human health and the environment. It is not clear however whether the current provisions in the Water Act 2007 or the Basin Plan explicitly permits a WRP to be set aside during an extreme event. Further clarity would be welcomed by NSWIC and its members.

Question 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.**

¹ <http://www.nswic.org.au/wordpress/wp-content/uploads/2018/02/NSWIC-Submission-to-Senate-Standing-Committee--Inquiry-into-the-integrity-of-the-water-market-in-the-Murray-Darling-Basin-2017.pdf>

Prior to providing a direct response to the three questions under Q 12, NSWIC would like to remind the Productivity Commission that there have been several Inquiries and Reviews into monitoring and compliance since last year's 4 Corners' report 'Pumped'. These Inquiries and Reviews have led to the establishment of a new regulatory entity in NSW – the Natural Resource Access Regulator (NRAR) – sparked a range of (proposed) changes in the regulatory and policy landscape around monitoring and compliance, and resulted in a Memorandum of Understanding between NRAR and the Murray-Darling Basin Authority. These changes are still new and some of the proposed legislative and policy amendments remain to be implemented or agreed upon. Until the consultation processes and legislative amendments are concluded, NSWIC is unable to fully comment on the risks of the MDBA's ability to monitor and enforce compliance with the Basin Plan and WRPs from July 2019.

However, NSWIC would like to restate some general principles about monitoring, compliance and enforcement. As outlined in NSWIC's media release (dated 14 March 2018) following the release of the NSW Water Reform Action Plan, the Council supports accurate, reliable and innovative measurement of water take that can be verified and audited. Irrigators and the irrigation industry in NSW must have a system that is easy to understand, implement and monitor to avoid any unnecessary costs or inefficiencies in the management of NSW's water resources. In simple terms, NSW irrigators and the irrigation industry expect a system that works, is cost effective and is able to protect irrigators property rights in water. At this point in time, the future landscape around monitoring, compliance and enforcement remains in flux as we progress through the NSW Water Reform Action Plan.

However, NSWIC is committed to working with NSW Government, the new NSW Natural Resource Access Regulator (and by extension the Murray-Darling Basin Authority) as a new system in NSW is rolled out, and the Council will play a leading part in ensuring the new regulatory system is well understood and supported on the ground by irrigators. However, it needs to be recognised that in the short term, there are operational and practical challenges that must be addressed².

In respect to any risks with the MDBA's ability to monitor and enforce compliance with the Basin Plan and the WRPs from July 2019, NSWIC would like to point out that the role and jurisdiction of the Authority around monitoring and compliance is not entirely clear to NSWIC and its members. NSWIC seeks further detailed information on the MDBA's regulatory responsibilities in this space, compared to the State-based regulators (e.g. in light of the MoU). Without this information, NSWIC is unable to fully comment on the issue. Further, NSWIC understands that while the MDBA has increased its resources to fulfil its monitoring and compliance functions, the currently available resources would remain insufficient to fully take over the responsibilities around monitoring and compliance from the State authorities. Hence the inter-play between State and Federal monitoring and compliance jurisdiction is of significant interest to NSWIC and its members.

In conclusion, further time is required until an adequate assessment can be made whether the recent amendments or proposed changes will strengthen and improve the current monitoring and

² Please see our response to the NSW Water Reform Action Plan:
https://gallery.mailchimp.com/c6e5c2d75b14461767c095feb/files/6fbdfe61-e0e2-491e-8a0c-39e763357a29/180406_WRAP_and_EXPOSURE_DRAFT_BILL_Draft_Submission_final.pdf

compliance system across the Murray-Darling Basin. In addition, it will be important that we don't lock ourselves into one methodology or technology that would prevent further advancements and improvements in the use of more innovative approaches to water take measurement, monitoring and compliance. There needs to be a recognition that changes will take time and that there are some practical challenges that need to be overcome prior to the full implementation of a new monitoring and compliance system.

Question 13: The Commission is seeking information on:

- A. How well current arrangements for monitoring, evaluation and reporting support the delivery of the objectives of the Basin Plan; and how they could be improved to increase the likelihood of the objectives being met**
- B. Whether there is a clear delineation of responsibilities for monitoring, evaluating and reporting on the Basin Plan, and, if not, how it could be improved**
- C. The usefulness of the MDBA's Framework for Evaluating Progress and its recent application in evaluating the Basin Plan**
- D. How data and information obtained through monitoring, evaluation and reporting could be made more useful for decision making and evaluation of the Basin Plan (including how to make this data and information more outcome-focused).**
- E. The general information required to provide confidence to communities and others that the Basin Plan is being implemented well and is achieving its objectives**
- F. Whether processes are in place to monitor key risks to the continued availability of Basin water resources.**

As outlined in our response to Q12, NSWIC would like to refer the Commission to the multitude of other Reviews and Parliamentary Inquiries that have been initiated since mid-2017 (e.g. analysis of parts of the Basin Plan or the water market; reviews of agencies etc) that have partially led to conflicting recommendations. Whilst most of these Inquiries suggest that improvements to the current monitoring, evaluation and reporting could be made, there is no agreement on an appropriate approach. This has presented the irrigation industry and the general public with a somewhat confused picture of the Basin Plan implementation to date and while this is arguably inevitable, the outcome is regrettable as it overshadows some of the key impacts (both positive and negative) and preliminary learnings from these first five years since the Basin Plan. Further, NSWIC stresses that the previously initiated reviews have not all fully been completed, and their preliminary recommendations have not yet been assessed for risks or been subject to a thorough cost benefit analysis. Ongoing assessment will therefore be necessary before changes should be made to avoid any unintended or perverse consequences.

Once these Reviews are completed, the focus should be on what formal reporting arrangements should be in place once the Basin Plan has been fully implemented. Without a doubt there is a need to regularly review and report on all the objectives of the Basin Plan (i.e. including the triple bottom line objective) and the agencies that have responsibilities for the Commonwealth's environmental water portfolio, however thoughts should be put as to who is best placed to undertake these reviews once the Basin Plan is implemented.

Further, in the context of monitoring, evaluation and reporting on the progress of the Basin Plan implementation, NSWIC suggests that there could be opportunities to streamline and reduce unnecessary inefficiencies. As an example, NSWIC does not fully comprehend why the Murray-Darling Basin Authority, the Federal Department of Agriculture and Water Resources as well as the Productivity Commission must review the progress of the Basin Plan implementation together with the various Federal and State Inquiries that have currently been initiated. NSWIC suggests the various review and assessment functions could be better shared or more clearly delineated between the various departments. In particular, NSWIC continues to be concerned about the review and assessment functions of the Murray-Darling Basin Authority which does – in NSWIC’s view – have a conflicting role in undertaking this work due to the fact that it also drafted the Murray-Darling Basin Plan. NSWIC believes it would be beneficial to conduct a root and branch review the functions and roles of the Murray-Darling Basin Authority. NSWIC believes this review is vital as the MDBA has significantly expanded its functions and powers and now has multiple conflicting roles:

- it advises the Australian Government, Ministerial Council and Basin Officials Committee on policy and strategy relating to the Basin Plan;
- it reports to the Parliament of Australia on implementation of the Basin Plan;
- it is a regulator that ensures compliance with the Basin Plan by State and Commonwealth agencies;
- it implements components of the Basin Plan, and
- it delivers River Murray Operations.

MDBA funding levels are not linked to performance, which may lead the Authority to increase its scope and complexity rather than improve its effectiveness and efficiency. The Commission is well placed to review the MDBA under the auspices of its research support to the inter-Governmental Steering Committee for the Review of Government Service Provision and publishes the Annual Report on Government Services.

In terms of Part B, NSWIC suggests there are too many Federal and State agencies involved in water management. With the introduction of the Water Act 2007 and the Basin Plan, NSW irrigators have seen an explosion in Australia’s water bureaucracy, unfortunately with varying success. There is often no clear delineation between different Government agencies and their roles and responsibilities in water resource management is often blurred - adding to confusion, costs and sometimes conflicting regulatory and policy settings. As institutional setup is so vital for efficient water resource management, urgent improvement is needed to avoid duplication and overlap. However, improvements at this time are difficult as NSW is currently undergoing yet another water reform (e.g. NSW Water Reform Action Plan) which may alter the roles and responsibilities of the current departments and the new Natural Resources Access Regulator. Without a full understanding on which direction NSW will take in this respect, it is difficult to provide concrete recommendations to the Commission.

Finally, NSWIC stresses that both State and Federal Government departments have a key role to play to fulfil their roles in terms of data gathering and information dissemination. As the various reviews have shown, there have been clear failures on the side of Governments in fulfilling this roles and responsibilities. Despite some good efforts, there is still a lack of a lot of data and

information around (current and future) water needs of different stakeholders (for example the environment), as well as water use behaviour by different water users (for example the dynamic changes in crop production and water requirements within each of the Australian states). A lot of the data we currently have is outdated and doesn't reflect current conditions. If we don't know how and why different stakeholders use the water allocated to them under current systems, we will not be able to improve the management and allocation of water resources which will consequently also impact the efficiency and effectiveness of delivering the Basin Plan. NSWIC stresses that both State and Federal Government departments have a key role to play in gathering data and disseminating information, however these roles and responsibilities have not been adequately fulfilled. Further improvements must be made to meet the objectives of the Basin Plan and build public confidence in the Australian Government's water reform.

Question 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.**

NSWIC stresses that a correct setup and ongoing investment in institutional arrangements as well as governance is vital for the success of the Basin Plan and the broader Federal (and State) water reform process. Despite good intentions, the current institutional and governance arrangements are suboptimal, evidenced by the multitude of Federal and State agencies and the overlapping and confusing roles and responsibilities. As outlined in response to Q13, there needs to be a review of the current roles and responsibilities of the various State and Federal Government departments involved in water with a view to establish a system that is clear, transparent and accountable.

Water governance is about 'who does what, why, at which level of Government and how'. While the questions appear simple, NSWIC is not aware that Australia has ever answered them in detail across all levels of government. Whilst there are challenges in assessing the performance of water governance (e.g. methodologically and financially), indicators and evaluation frameworks (e.g. the OECD led Water Governance Initiative) have already been developed to assist Government and stakeholders to measure the institutional performance through multi-stakeholder methodologies and self-assessment tools. It would be prudent to make use of these indicators and evaluation frameworks to assess Australia's water governance and start a dialogue about the state of Australia's institutional arrangements, future challenges and opportunities for water resource management (including environmental water management). An assessment of the governance arrangements for environmental water management is particularly important given the size of the Commonwealth Government's environmental water portfolio.

It is important however that such an assessment is **inclusive** and not solely undertaken by a single Government department or interagency panel, as effective policy measures will only be successful if all stakeholders are on board. This will likely require additional investment and ongoing capacity building amongst various stakeholders. Capacity building at different levels, in particular, will

require further Federal and State investment, however it will likely lead to new and innovative thinking on how to govern and manage water at multiple levels across a range of stakeholders.

In addition, the practical relevance of water governance for the implementation of water policies needs to be communicated in simple language (e.g. in language that connects to every day needs, hopes and aspirations of people in local communities). Hence, working on communicating the importance and relevance of integrity, transparency, accountability and participation (as well as applying them) is critical for making sustainable actions for water resource management.

In terms of Part C, NSWIC suggests that an addition to a thorough assessment of the state of Australia's water governance, there should be considerations of:

- a) how we can ensure ongoing investment in Australia's institutional arrangements (e.g. particularly the Commonwealth Environmental Water Holder and its office as the manager of the Commonwealth's large environmental water portfolio);
- b) how we can better integrate State and Federal water management (e.g. particularly around the issue of environmental water)
- c) how to better delineate and assign roles and responsibilities over water management amongst the many Government departments.
- d) how we can improve stakeholder engagement (e.g. including appropriate resourcing and capacity building)

In terms of the last point, NSWIC would like to reiterate its frustration with the ongoing failure to appropriately consult with stakeholders on many aspects of the Basin Plan. Consistent with the IAP2's Public Participation Spectrum, a workable implementation model is likely to be based on collaboration or empowerment, not rounds of intensive, draining and never-ending and uncoordinated consultation, undertaken by Basin Plan entities. Genuine collaboration and empowerment will lead to informed consent and fair compensation that respect Australian property rights in water. NSWIC looks forward to the Commission's recommendation on how this could be improved.

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