National Farmers' Federation

Submission to the PC Review of the Murray-Darling Basin Plan

31 July 2023

NFF Member Organisations

AGFORCE

ACGC
Australian Chicken Growers' Council

Australian Dairy Farmers

Australian Forest Products Association

ALEC
AUSTRALIAN LIVESTOCK EXPORTERS COUNCIL

ALPA

Australian Organic

AUSTRALIAN Pork

AVA
AUSTRALIAN VETERINARY ASSOCIATION

BEECHWORTH HONEY

CANEGROWERS AUSTRALIA

CA CATTLE AUSTRALIA

COTTON AUSTRALIA

farmers for climate action

GICA
Goat Industry Council of Australia

GrainCorp

Grain Growers

National Farmers Federation | Horticulture Council

KIAA

NSWIC
NEW SOUTH WALES IRRIGATORS' COUNCIL

nsw FARMERS

The Pastoralists' Association of West Darling

PRIMARY EMPLOYERS TASMANIA

ppsa PRIMARY PRODUCERS SA

RGA
RICEGROWERS' ASSOC.

SHEEP PRODUCERS AUSTRALIA

SoilsForLife

Tasmanian Farmers and Graziers Association
TFGA

Victorian Farmers Federation

WAFARMERS

WOOLPRODUCERS AUSTRALIA

National Farmers Federation

The National Farmers' Federation (NFF) is the voice of Australian farmers.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services as well as state-based policy and commodity-specific interests.

Statistics on Australian Agriculture

Australian agriculture makes an important contribution to Australia's social, economic and environmental fabric.

Social >

In 2019-20, there are approximately 87,800 farm businesses in Australia, the vast majority of which are wholly Australian owned and operated.

Economic >

In 2019-20, the agricultural sector, at farm-gate, contributed 1.9 per cent to Australia's total Gross Domestic Product (GDP). The gross value of Australian farm production is forecast to reach $78 billion in 2021-2022.

Workplace >

In 2021, the agriculture, forestry and fishing sector employ approximately 313,700 people, including over 215,800 full time employees.

Seasonal conditions affect the sector's capacity to employ. Permanent employment is the main form of employment in the sector, but more than 26 per cent of the employed workforce is casual.

Environmental >

Australian farmers are environmental stewards, owning, managing and caring for 49 per cent of Australia's land mass. Farmers are at the frontline of delivering environmental outcomes on behalf of the Australian community, with 7.79 million hectares of agricultural land set aside by Australian farmers purely for conservation/protection purposes.

In 1989, the National Farmers' Federation together with the Australian Conservation Foundation was pivotal in ensuring that the emerging Landcare movement became a national programme with bipartisan support.

Executive Summary

The National Farmers Federation (NFF) strongly advocates for a healthy Murray-Darling Basin system that balances the needs of communities, agriculture, and the environment. Currently, the burden of providing water for the plan has disproportionately fallen on the farming community, resulting in severe consequences for affected regions, including community collapse and devastation.

The Murray Darling Basin Plan was adopted in 2012 with a legislated goal to recover water entitlements equal to an annual average yield of 2,750GL. The Commonwealth owns these entitlements, which are managed by the CEWH for the benefit of the environment; $13 billion was allocated to implement the Plan.

Water recovery goals were originally divided with the northern Basin to deliver 390GL and the southern Basin to deliver 2,360GL. The northern Basin target was subsequently reduced to 320GL in 2016 on review, on the basis of toolkit measures coming into effect. The effective Plan recovery target is now 2,680GL.

The Plan includes the Sustainable Diversion Limits Adjustment Mechanism (SDLAM), allowing the original 2,750GL target to be reduced by up to 650GL (called supply measures) through projects delivering similar environmental benefits but with less water. This would reduce volume of water entitlements that had to be recovered for the environment.

The SDLAM also allows an additional 450GL in entitlement equivalents (called efficiency measures) to be recovered above the 2,750GL, through projects with positive or neutral socioeconomic impacts. The total volume of water recovered in entitlement equivalents could be 3,200GL.

Various contemporary, independent reports have agreed that the acquisition of 450GL from the consumptive pool are not likely to be achievable without significant and deleterious impact on irrigators, riparian landholders and communities. There are potentially other pathways to achieve environmental outcomes. These are areas that should be considered and pursued in an inclusive, considered and consultative manner.

Under the first decade (2012-2022) of the Plan, water for the environment has increased from 19,177GL to 21,927GL expanding the environment's share from 58% to 67% of the annual average surface flows. Out of a total annual average take of 32,800 GL this a substantial component.

The NFF provides a submission the productivity community to address current issues surrounding the Murray Darling Basin plan and provides evidence on how to improve the plan for the future. By considering the impacts on communities and farming, alongside environmental objectives, the Murray-Darling Basin Plan can be more effectively balanced to ensure the sustainable and prosperous coexistence of all stakeholders.

NFF notes that the pervious PC five yearly review into the implementation of the Murray Darling Basin Plan contains substantive recommendations many of which

have neither been endorsed nor implemented by governments. NFF recommends that the PC undertake an alignment exercise between recommendations and their subsequent implantation especially with a view to understanding which recommendations have been implemented and which still could be.

In conclusion, the NFF's support for a healthy Murray-Darling Basin system remains unwavering. By prioritising the economic and social well-being of affected communities, exploring outcome-based options, and engaging in constructive dialogue, the plan can be strengthened to create a more sustainable and equitable future for all involved parties.

Policy position

The NFF supports a healthy Murray-Darling Basin that truly balances the economic, social, and environmental objectives our nation enjoys from our largest river system. The NFF favours the implementation of a Plan, that gives equal weight to environmental, social, and economic outcomes. The NFF believes that there are a number of improvements which need to be made to make it fairer and more workable. Governments must ensure that all future actions to achieve additional environmental outcomes must not create additional social and economic costs from the actions.

General issues

- Appropriate reforms to the water market that provide greater confidence and transparency in water trading, should be implemented expeditiously;
- Genuine economic and social investment in communities adversely affected by water reforms must be a priority for governments;
- A clear, proper process for over-recovered water to be addressed, including exploring the option to return water to the consumptive pool, informed by meaningful consultation with communities in affected valleys;
- Cultural water is highly respected by the agriculture sector. Cultural water for contemporary economic use must be purchased on the market with the same characteristics as other entitlements, whilst non-economic cultural water must not be sourced from the consumptive pool similar to other non-economic water holders;
- We should always look for opportunities to use parcels of water to generate multiple outcomes;
- Complementary measures can have a positive effect on both supply and efficiency measures and should be considered in the context of both; and
- A greater commitment to adopting complementary measures, that go beyond the existing requirements of the Plan, so as to optimise environmental outcomes.

What needs to change to ensure water recovery targets are met and that supply and efficiency measures are delivered? What lessons can be learnt from past experiences?

Supply Measures

- An urgent, coordinated and concerted approach to deliver the supply measures program to reduce the potential for further water recovery from the consumptive pool;
- The supply measure projects should include an adaptive component to allow for the incorporation of new science and risk management in their implementation;
- Governments to explore flexible pathways to allow new, improved or replacement SDLAM projects and ensure greater participation and communication, and be open to fully replacing projects that have low prospect of success (in preference to commencing buybacks); and
- Fully implement well-designed and appropriately consulted projects to achieve at least 605GL.

Efficiency Measures

- Ensuring the 605GL must be the primary focus, noting that 62GL of the 450GL is a pre-requisite;
- The NFF considers that the 450GL cannot come from the consumptive pool, nor be delivered through current river operations, and is therefore not supported;
- Any projects must meet the current socio-economic test, and have no deliverability impacts;
- NFF supports a more robust, outcomes based, approach including from innovative projects that achieve environmental outcomes equivalent to 450GL;
- Benchmarking of current achievement against environmental performance metrics should be assessed;
- Government must seek and fund alternative measures that are outcomes focussed; and
- NFF, including through its members, will remain engaged on projects suitable for further study as proposed by the jurisdictions or other parties.

The NFF strongly suggests that to achieve water recovery targets and meet supply and efficiency measures, a shift towards outcomes-based targets rather than volume-based targets is crucial. By focusing on outcomes, such as maintaining ecological health and supporting viable farming communities, we can ensure a more balanced approach that considers the social and economic impacts of water management decisions. While maintaining environmental aspirations.

Drawing lessons from past experiences, it has become evident that implementing buybacks as a means of water recovery has had detrimental effects. A socio-economic report has shown that buybacks have resulted in lost jobs, the collapse of small towns, and the demise of many farming businesses.

Buybacks are not in the best interest of farmers and rural communities, as they undermine the economic sustainability of agricultural communities and lead to significant social consequences. Farmers cannot afford to pay market allocation prices this high, this often (ABARES, 2020)

o Buybacks have driven allocation prices up an average $72/ML ■ = Prices higher than $200/ML in three out of 10 years

o Another 450GL from the sMDB pool ■ = Prices higher than $200/ML in eight out of 10 years12

Economic effects of water recovery in the Murray–Darling Basin - DAFF (agriculture.gov.au)

The NFF also recognises the importance of evaluating the 605Gl projects in terms of their extended time frames and the inclusion of new projects. Careful consideration should be given to the feasibility and practicality of these projects to ensure their successful implementation and alignment with the overall goals of the Plan.

Furthermore, the NFF believes that the full 450Gl target may not be necessary and suggests that investments would be better directed towards complementary measures that can leverage real environmental outcomes from the existing pool of water available to the environment. However, if the government remains determined to pursue the full 450Gl target then there needs to be extensive consideration of socio-economic impact on communities. Including fully meeting the socio-economic test and recognising there is economic cost to further water acquisition.

In light of past experiences, it is important to not only focus on lessons learned but to genuinely consider what has been achieved thus far. This includes assessing the social and economic impacts as well as evaluating the environmental gains that have been realised. Taking a reflective approach should give pause to the "just add water" mentality and prompt a more nuanced and comprehensive evaluation of the Plan's effectiveness.

In summary, the NFF emphasises the need for outcomes-based targets, a holistic approach that supports farmers, and a thorough evaluation of the 605Gl projects including any new or varied projects. while also highlighting the importance of considering alternatives to the full 450Gl target. By adopting these recommendations and lessons from the past, we can strive for a more balanced and sustainable approach to water recovery and management in the Murray-Darling Basin. For example, loss of river bank integrity, unachievable unrealistic flow rates are examples of negative outcomes.

Are the current arrangements for implementing the Murray-Darling Basin Plan operating effectively? How could the arrangements be improved? The Commission is particularly interested in the effectiveness of the arrangements for:

- **developing, accrediting and reporting on water resource plans**
- **water quality**
- **critical human water needs**
- **environmental water planning and management.**

The effectiveness of the current arrangements for implementing the Murray-Darling Basin Plan is a matter of significant importance, and it requires careful consideration to ensure optimal outcomes for water resource management. There are several areas of concern and potential improvements that should be addressed:

a. Accreditation of NSW Water Resource Plans:

The process of assessing and recommending accreditation for NSW Water Resource Plans has proven to be challenging. While it is acknowledged that the NSW Government may have been slow in delivering the plans, it is essential to evaluate whether the state is being held to higher standards or requirements compared to other jurisdictions. Given the Sustainable Diversion Limits (SDL) arrangement and the purchase of entitlements to meet targets, is there a case for accepting existing NSW Water Sharing Plans and adding the necessary chapters to form a comprehensive Water Resource Plan? This approach could streamline the process and help expedite the implementation of the plan without compromising environmental outcomes. We note that other states have been able to meet their obligations for provision and acceptance of water resource plans.

b. Water Quality and Critical Human Water Needs:

Water quality and addressing critical human water needs are critical components of effective water resource management. The existing Water Resource Plans generally cover and protect these aspects through a hierarchy of use. However, certain issues may arise due to insufficient infrastructure or a lack of appropriate complementary measures. For instance, on ephemeral systems like the Barwon-Darling, the limited water supply storage capacity in places like Walgett poses challenges in meeting critical human needs during prolonged droughts. Addressing such issues may require improved infrastructure development to better manage water availability during extreme conditions.

Regarding water quality, issues such as fish death events due to low oxygenation have occurred during both prolonged drought conditions and flooding events. To effectively address this, better management practices may be required rather than solely focusing on volume-based solutions. Implementing strategies that enhance

oxygenation in water bodies could mitigate such occurrences and contribute to more sustainable environmental outcomes.

In conclusion, while the current arrangements for implementing the Murray-Darling Basin Plan have made progress, there are areas where improvements can be made. Addressing the challenges related to accrediting NSW Water Resource Plans and ensuring water quality and critical human water needs are adequately met should be a priority. By streamlining processes, focusing on practical solutions, and promoting cooperation between stakeholders, the effectiveness of the arrangements can be significantly enhanced, leading to improved water resource management within the basin.

Have the governance and institutional arrangements for the Plan – including the arrangements for compliance and monitoring, evaluation and reporting – proved effective? What changes would you recommend?

The evaluation of the governance and institutional arrangements for the Plan, including compliance, monitoring, evaluation, and reporting, has been a matter of concern. The NFF has repeatedly urged the government to conduct a comprehensive evaluation of the achievements to date, specifically focusing on the relationship between water availability and environmental outcomes. However, despite our requests, the government has failed to deliver on this important task. The absence of a comprehensive monitoring and evaluation program, such as the Sustainable Rivers Audit or an alternative basin health scorecard, makes it difficult to assess the overall health of the basin using easily understood metrics. Simply measuring when hydrographic targets are met is inadequate, as the Plan's heavy reliance on the "just add water" approach has been its greatest failure.

The absence of a thorough evaluation impedes our ability to understand the true impact of increased water availability on environmental outcomes. Without concrete data and evidence, it becomes challenging to make informed decisions and direct resources towards measures that deliver the most significant environmental benefits.

To address this issue, it is imperative that the government takes immediate action and fulfills its responsibility to conduct a comprehensive evaluation. This evaluation should not only assess the achievements and outcomes thus far but also identify areas for improvement and provide valuable insights for future decision-making processes.

Moreover, alongside the evaluation, changes in governance and institutional arrangements are necessary to enhance the effectiveness of the Plan. Streamlining compliance procedures, strengthening monitoring systems, and improving transparency in the reporting process are essential steps to ensure accountability and foster public trust.

In conclusion, despite repeated requests, the government has failed to conduct the evaluation that is crucial for assessing the effectiveness of the Plan. Urgent action is needed to fulfill this commitment and provide the necessary data and evidence to inform future water management efforts. By addressing these shortcomings, we can work towards more efficient and sustainable water management practices that deliver the desired environmental outcomes.

How well is the Plan responding to a changing climate? How should this be improved?

The Murray Darling Basin Plan has taken some steps to respond to a changing climate, particularly through its water sharing arrangements. These arrangements acknowledge the impacts of climate change and incorporate a strict hierarchy to allocate water resources to be allocated among various entitlement holders. Currently, the burden of climate change risk primarily falls on general security/unregulated and supplementary entitlement holders, including both irrigators and the environment. While the burden of climate risk is a vexing question, here and elsewhere, it is important provide greater recognition of the continued need to produce food and fibre in quality agricultural areas into the future so as no to unnecessarily adversely impact regional economic activity and its' community support framework.

The SDL (Sustainable Diversion Limits) process within the Murray Darling Basin Plan also serves as a climate change adaptor, aiming to ensure the long-term sustainability of water resources amidst changing climatic conditions. By establishing limits on the amount of water extracted, the SDL process attempts to safeguard the basin's ecological health while accounting for climate-induced variations in water availability.

One key aspect that needs improvement is our approach to dealing with fluctuations in water availability. Climate change is likely to bring both periods of increased water scarcity and intense rainfall events, leading to periods of more and less water in the basin. To adapt effectively, water users, communities, and ecosystems must become more resilient and adaptable to these changing conditions. This could involve investing in infrastructure and technologies that allow for efficient water storage and usage, encouraging water-saving practices, and fostering a greater understanding of water-sensitive practices in agriculture and other sectors.

Moreover, a multi-disciplinary approach should be adopted to address the complexities of managing water resources in the Murray Darling Basin. Rather than solely focusing on increasing water allocations, stakeholders must consider a broader range of solutions that encompass ecological, economic, and social dimensions. Collaborative efforts involving experts from various fields, including hydrology, ecology, economics, and sociology, can lead to more comprehensive and sustainable solutions for water management.

In summary, while the Murray Darling Basin Plan has made strides in accounting for climate change and establishing water sharing arrangements, there are still areas for improvement. Balancing the distribution of climate change risks between water users and the environment, enhancing the SDL process, and adopting a multi-disciplinary approach are crucial steps to ensure the plan effectively responds to a changing climate and sustains the basin's water resources for the future.

How well is the Plan addressing the interests of Aboriginal people?

Respecting First Nations people's cultural sensitivities surrounding the Plan's impact on Aboriginal people, we recognise and appreciate the vital role they hold within the Murray-Darling Basin system. While we understand that it is not within our purview to comment on the effectiveness of the Plan specifically regarding Aboriginal interests, we acknowledge the importance of considering their unique perspectives and aspirations.

One aspect that could be explored to better address Aboriginal water needs is the separation of water allocations into two categories: cultural water for cultural use and water for Indigenous economic development. This differentiation would recognise the distinct requirements of both aspects and allow for a more tailored approach to water management within First Nation communities.

How well has community consultation and engagement been conducted? However, can this be improved?

The community consultation and engagement efforts in the implementation of the Plan have fallen short of expectations. Despite extensive consultations, the lack of meaningful action and implementation of the recommendations has undermined the effectiveness of these efforts.

To improve community consultation, it is imperative to move beyond token processes and genuinely incorporate the perspectives and feedback of stakeholders. This requires the establishment of mechanisms that foster active listening and ensure that community input is integrated into decision-making processes. The recommendations and concerns raised during consultations must be given due consideration and translated into concrete actions.

The Sefton Report provides a notable reference point that highlights the issue of being over-consulted and under-listened. Two recent examples further underscore this problem. Last year, the Federal Department conducted a consultation tour in certain under-recovered valleys to explore ways of achieving recovery with minimal social and economic impact. Promising ideas were put forward during the Condamine Balonne sessions, only to be completely disregarded when the government opted for straight buy-back tenders. Similarly, the Tender information sessions for the bridging the gap buy-back proposal held across the Basin in March demonstrated a failure to learn from the past 17 years of Commonwealth involvement in water management. These examples illustrate the need for substantial improvements in community engagement.

Transparency and accountability are vital in enhancing community engagement. Clear communication channels, accessible information, and timely updates should be provided to keep the community well-informed and actively involved throughout the implementation process. Moreover, fostering a culture of trust and collaboration between decision-makers and community members is crucial. It is imperative to create an environment where community voices are genuinely valued, and their input is considered in decision-making processes.

In summary, the shortcomings in community consultation and engagement are evident, as highlighted by the Sefton Report show that poor consultation over the life of the plan has been endemic. To address these issues, it is essential to go beyond superficial consultations and ensure that stakeholder perspectives are genuinely incorporated. Transparency, accountability, and a culture of collaboration are key to improving community engagement and building a more effective and inclusive water management framework within the Murray-Darling Basin. Equally the seminal socio-economic work delivered through the MDBA by Dr Phil Townsend.

What lessons should be learned from programs aimed at helping communities adjust to the Plan?

Programs that aimed at helping communities adjust to the basin plan were found to be ineffective in 2018 and this remains the case 5 years on. The last PC review quoted that 'There is little evidence to indicate that structural adjustment programs have been effective at supporting communities adjust to the Basin Plan'. (Pg 37) 2018

After the Sefton Report was released on socio-economic impact of the Murray-Darling Basin Plan in 2019, there was a panel for the independent assessment of social and economic conditions in the Murray-Darling Basin. This Panel identified potential areas for action and made a final report on them in 2020. (Final Report prepared for The Hon. Keith Pitt MP, Minister for Resources, Water and Northern Australia, 2020)

These recommendations would indeed assist in helping communities adjust to the plan and should have been implemented and thoroughly thought out prior to the implementation of the plan in the first instance. There are no clear programs which address all these recommendations, a start would be to start implanting programs and decision which positively impact communities' adjustment to the plan.

Key recommendations included:

1. *Basin governments and communities must find better ways to engage about Basin and broader reforms and strengthen leadership capacity of regional communities and government agencies.*

2. *All parties involved in designing, developing, implementing, monitoring and evaluating water policy and reform must recognise the importance of transparency and accountability in providing certainty and confidence to communities.*

3. *From this point on, the Australian Government should time planned further water recovery in the northern and southern Basins to match the capacity of systems to deliver water to where it is needed, to achieve enhanced environmental, social and working river outcomes without detrimental uncompensated third-party impacts. From this point on, the Australian Government should also match the pace of all planned further water recovery to the capacity of communities to absorb and adjust to change, based on community scale social and economic assessment of anticipated impacts and engagement with affected communities.*

4. *Where possible, off-farm recovery should be a preferred approach for recovering water when it reduces the impact on the consumptive pool. Where off-farm recovery occurs, it should be cost-effective and underpinned by appropriate and transparent infrastructure pricing and*

service provision frameworks that align the long-term needs of users and their capacity to maintain the off-farm infrastructure.

5. *If the existing SDLAM projects do not deliver the anticipated 605 GL, there should be flexibility to allow new or other existing projects to close the SDLAM gap. The 605 GL must be achieved through SDLAM. Given COVID-19, the progress status of key SDLAM projects, and the need for community consultation to not be rushed or superficial, timeframes for SDLAM measures should be extended to deliver an equivalent value of 605 GL.*

6. *The MDBA, working with Australian and state governments, and Basin communities should develop an agreed method to determine the impact of local complementary measures on supporting or making progress towards Basin Plan objectives. The method should be appropriate to the northern and southern Basins. The draft method should be developed for consultation by October 2020.*

7. *To support adaptive management and better prepare for scheduled formal reviews, the MDBA should bring forward a program of continuous evaluation, including the development of timely and relevant social and economic indicators (Schedule 12, item 3). This program should build on the MDBA's 2020 evaluation of the effectiveness of the Basin Plan. It should establish a clear framework and approach for information sourcing so that social and economic condition and change information is directly comparable, and reports at the appropriate spatial scale. Information should be sourced and reported as it becomes available.*

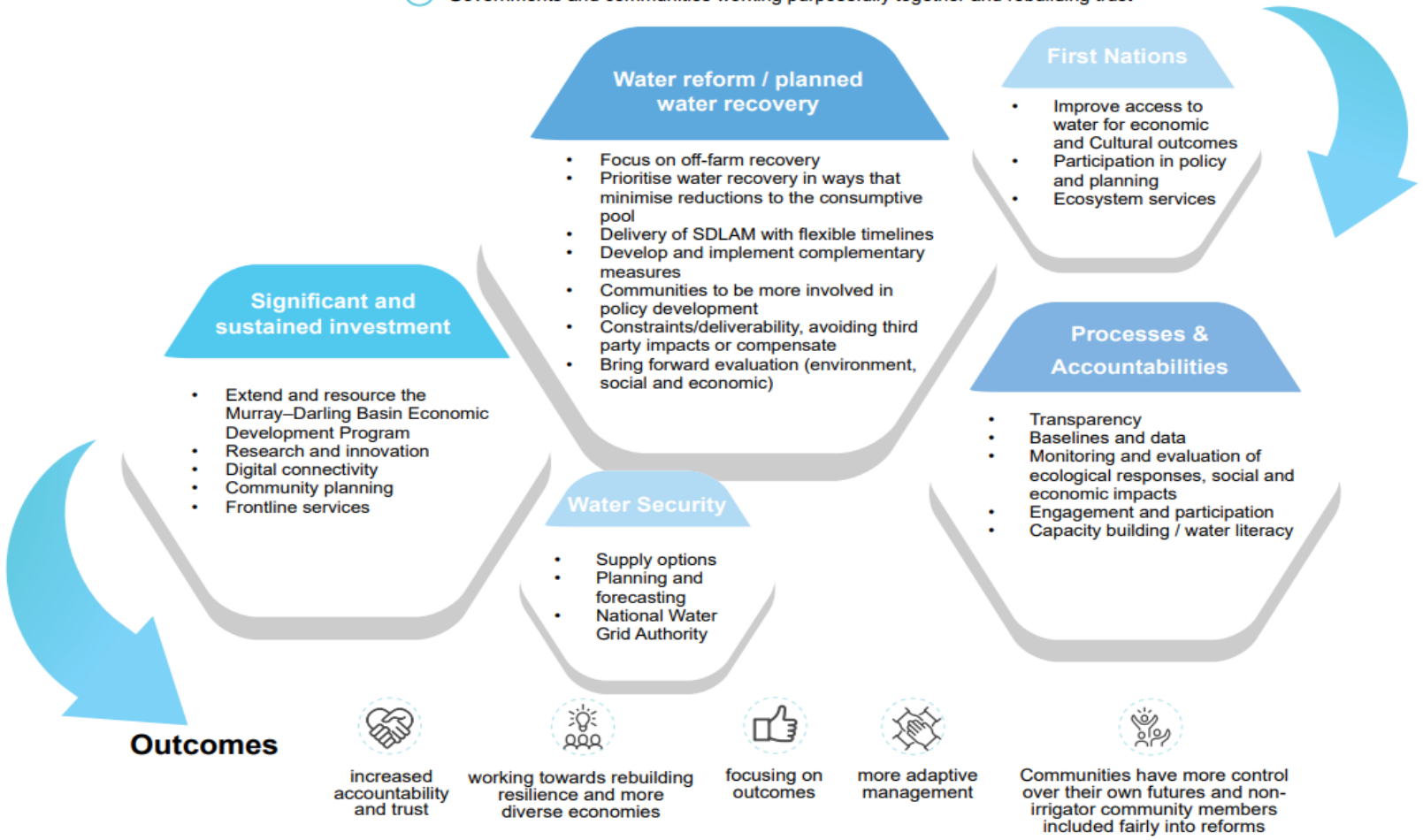
8. *To empower communities to make longer term investments in their future, the Australian Government should increase the scale of the Murray–Darling Basin Economic Development Program and extend it to 2030. It should also prioritise the Program towards more vulnerable and disadvantaged communities most negatively impacted by Basin water reforms. Funding programs must be community driven and focused on reforms and investments that build industries that provide long term jobs and income for communities.*

9. *Where an upwater recovery proposal fails to meet established neutrality criteria, this should trigger an option by the local communities to have a formal process to consider and agree on whether and how third-party impacts could be offset in a way that is acceptable to those negatively affected by the change. These processes must be community led. If accepted, the Panel's additional process should also be applied to any further northern Basin future water recovery.*

10. *To improve decision making and enable well focused and timely responses to wellbeing concerns, governments should agree on a framework that creates a solid baseline and tracks environmental outcomes from water reform, and how these impact Basin communities' social and economic wellbeing. Improvements in monitoring and evaluation measures should include, but not be limited to, demonstrating how enhanced environmental outcomes of water reform affect tourism, recreation, liveability, human health and wellbeing, and cultural values. Governments should ensure there is adequate resourcing of agencies and organisations involved in monitoring, evaluating and reporting all baseline environmental, social and economic conditions that Basin reforms are being evaluated against.*

A change of approach to support Basin communities

- Pay attention to distributional impacts of reforms, particularly on those most vulnerable in our Basin
- Reduce risks of impacts that could be exacerbated under planned further recovery scenarios and timelines
- Match pace of water reform to the capacity of communities to adapt and capacity of systems to deliver water to where it is needed
- Governments and communities working purposefully together and rebuilding trust



Does the implementation of the Plan reflect a commitment to the best available scientific knowledge? How well is this knowledge communicated? What improvements should be made?

The implementation of the Plan does not adequately reflect a commitment to the best available scientific knowledge. Insufficient evaluation and a lack of adjustments based on scientific findings indicate a failure to incorporate scientific knowledge effectively. Furthermore, the consideration of reintroducing buybacks without considering the socio-economic tests that demonstrate their negative impacts on communities highlights a disregard for scientific evidence.

The communication of scientific knowledge within the Plan has been inadequate. The information provided to the public lack's clarity and accessibility, hindering the understanding and engagement of stakeholders. There is a need for improved communication channels that effectively convey scientific findings, their implications, and the rationale behind decision-making processes.

To improve the situation, several key measures should be implemented. First, proper consideration of socio-economic tests is essential, ensuring that the impact on communities is thoroughly assessed before implementing measures such as buybacks. Second, a comprehensive assessment of environmental outcomes should be undertaken to demonstrate the effectiveness of the Plan and identify areas for improvement.

Shifting the focus of the Plan from volume-based targets to outcomes-based targets is crucial. This approach will allow for a more comprehensive assessment of environmental benefits and provide greater flexibility in achieving sustainable outcomes. Additionally, careful consideration should be given to the potential effects of buybacks on the cost of food and fibre production. Indeed, the commissioned work oversighted by the MDBA's Advisory committee on Social, Economic and Environment Sciences (ACSEES) advisory body seems also to collect dust.

In conclusion, the implementation of the Plan does not sufficiently reflect a commitment to the best available scientific knowledge. Improvements should include incorporating socio-economic tests, conducting comprehensive assessments of environmental outcomes, shifting to outcomes-based targets, and ensuring effective communication of scientific knowledge. By addressing these shortcomings, the Plan can be enhanced to deliver more sustainable and scientifically informed outcomes.

Are there any other issues with the Plan implementation that you wish to raise?

There are several additional issues with the implementation of the Plan that deserve attention.

- The MDBP has always been trumpeted as an adaptive plan little evidence has been seen that it is being treated as such.
- There is also new information regarding the social and economic assumptions that were deemed to be neutralised as described in the Basin Plan's 2750GL Regulatory Impact Statement (RIS, 2012). The RIS assumed that social and economic impacts would largely be offset through how Governments would obtain water, for example through buyback, on farm efficiency programs and/or through the SDL Adjustment Mechanism projects. For example:
- How Basin Plan objectives and other cumulative changes to water policy is elevating regional flooding risks in the Southern Basin
- How SDL Projects such as the Constraints Management Strategy would be rolled out and that not all impacts would be appropriately mitigate
- The adverse impacts of sustained high flow damage to the natural river banks of Murray & Edward River system and Goulburn Rivers in the Southern Basin

This lack of progress is particularly alarming considering UBS analyst Evan Karatzas found inflation for dairy, spreads, meat, fruits and vegetables had increased by 9% over the year to April. (Ainsworth,2023). If the Basin Plan continues on its current trajectory, we will be growing less food, leading to further price increases due to demand and supply economics.

Furthermore, Frontier Economics has issued a clear warning about the potential consequences of the Plan. Their 2022 report (Social and economic impacts of the Basin Plan water recovery in Victoria, 2022) highlights that even without further water recovery, we are projected to lose 25,000 hectares of horticulture. If the 450GL is recovered as planned, their prediction is that we will lose 95,000 hectares of irrigated agriculture. These predictions emphasise the urgent need to reassess the Plan's approach to ensure its economic viability and prevent significant losses in agricultural production. (Frontier economics, 2022)

In addition, Frontier Economics has stated that if 750GL of further buybacks occurred across the sMDB:

- An annual reduction in Gross Value Irrigated Agricultural Production of around $900m.
-
- In addition to this, there would be associated job losses in up- and down-stream industries, as well as in irrigation-dependent communities.
- Water prices in the Southern Basin have risen significantly (by an average of $72 per ML) due to water recovery from the consumptive pool, particularly in dry years.
- Furter water recovery from irrigators (buybacks and on-farm projects) will add to the impacts already being felt and undermine the ability of irrigation communities' to the plan for the future.

The Productivity Commission should be actively questioning whether the current state of affairs aligns with a healthy working Basin. It is essential to consider whether everyday Australians can afford to continue implementing the Basin Plan without the necessary flexibility and adaptation. The economic and social implications of the Plan's implementation must be thoroughly evaluated.

While there are parts of the Basin that have benefited from environmental watering programs, and there is no question from a community perspective that an environmental watering plan is needed, there is a flipside. Increased carp breeding events, hypoxic blackwater events, and native fish deaths have consistently been reported since the implementation of environmental watering events. Additionally, that conveyance of water through the Barmah choke will result in a 25-35% reduction in channel capacity in the next 30 years. (Rutherfurd et al, 2020) The volume of water going through the choke in the early 1980's was 11,300ML/d this has declined by 18.6% with released from the Yarrawonga Weir to be kept below 9,200ML/d. (Rutherfurd et al, 2020)

Considering the significant cost of $13 billion, taxpayers should be questioning the value for money and outcomes of the Basin Plan. While some may widely broadcast the benefits of environmental water in improving the health of the Basin, the negative consequences, along with the reported issues and limitations, raise concerns about the overall effectiveness and cost-effectiveness of the Plan.

In conclusion, the implementation of the Plan faces additional challenges and drawbacks. These include the lack of observed benefits despite recent floods, rising food prices, predictions of significant agricultural losses, the need for flexibility and adaptation, concerns about environmental watering programs, degradation of forest health, loss of capacity in the Barmah choke, rising water tables and ongoing fish kills in the Darling. These factors, along with the significant cost of the Plan, warrant a thorough reassessment and examination of the value for money and outcomes it delivers.

NOTE: There is an additional attachment to be reviewed as a part of this submission. ***Delivering on the MDB Plan Submission (Submission to Minister Plibersek 'ideas' inquiry)***

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