

Basin Plan Inquiry
Productivity Commission
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10 October 2018

Dear Professor Doolan & Mr Madden,

Re: Murray-Darling Basin Plan Five-year assessment initial submission

Thank you for the opportunity to provide comment on the Productivity Commission's Draft Report of the Murray-Darling Basin Plan Five-year assessment.

We support the draft findings and recommendations of the Commissioner. We also acknowledge the significant community consultation that has been undertaken to inform this work.

As outlined in previous submissions, we are pastoralists on the Lower Darling, dependent on the sustainable and reliable supply of quality water for livestock and domestic purposes. This submission focuses on the areas of the Commission's draft report which are specifically pertinent to the Lower Darling. This includes the supply of quality water for critical human water needs, the development of Water Resource Plans, and the Menindee Lakes Supply Project under the Sustainable Diversion Limit Adjustment Mechanism (SDLAM). Feedback is aligned with the chapters of the report.

Recovering water for the environment

It is noted in the Draft Report that the Basin-wide target for recovery has been reduced to 2075GL, to be recovered by 1 July 2019. This adjustment accounts for the 605GL under the SDLAM. There have been significant concerns raised, both in this Draft Report and in other documents^{1,2}, about the quantity of water that will be recovered through the Menindee Lakes Supply Project. A reduced quantity of water accounted for by this supply project would have a significant impact on Basin-wide water recovery targets.

We strongly support the need for increased accountability and transparency regarding purchases of water to meet environmental requirements, as highlighted in Draft

¹ Barrier Daily Truth. "Menindee project on shaky ground". 9 October 2018. Pages 1, 4. This article refers to the findings of a report commissioned by the Federal Department of Agriculture and Water.

² Murray Darling Basin Authority. "MDBA Analysis: Menindee Lakes Water Saving Project Phase 2 Business Case. Proponent: NSW". Released under of Freedom of Information, 2018.

Recommendation 3.2. However, it is noted that Draft Recommendation 3.2 relates only to increased accountability and transparency following a finalised purchase. We note that this will not necessarily reduce or prevent ineffective and inefficient purchases of water. We suggest there be some consideration about how transparency could be enhanced prior to the finalisation of purchase.

Supply measures and toolkit

The comments regarding the Draft Findings and Draft Recommendations below relate specifically to the Menindee Lakes Supply Project.

We strongly support Draft Recommendation 4.3 to reconcile supply measures against environmental equivalence. However, we note that the principle of reconciliation is that it occurs following implementation. There have been significant concerns raised regarding the environmental impact of the Menindee Lakes Supply Project. The MDBA's own analysis of the project identified the following issues³:

- the absence of an environmental impact statement,
- the potential for adverse ecological impacts given the filling regime of the Lakes will be much dryer than natural occurrences,
- potential loss of habitat of the Golden Perch nursery which has Basin-wide significance,
- questions about the environmental outcomes previously achieved through other projects undertaken by the NSW Government, in particular the Great Darling Anabranch Pipeline project,
- the project is outside the MDBA's framework for testing environmental equivalence,

There remains significant environmental risk with the Menindee Lakes Supply Project. If the project does not provide environmental equivalence, reconciliation occurring in 2024 will not prevent significant environmental degradation. If the project does proceed, we are concerned that it would not be possible to reverse any environmental damage beyond 2024. This is particularly pertinent given that there would be no funding remaining under the Murray Darling Basin Plan to redress issues or recover the required water. It is therefore our suggestion that no supply project be provided with funding until there is clear demonstration that environmental equivalence will be achieved.

Regarding these concerns, we note that Draft Recommendation 4.4 proposes a review process be established prior to funding approval. The Draft Recommendation refers to ensuring that projects offer "value for money". We support that all projects should deliver value for money. In addition, we propose that the Department of Agriculture and Water Resources' review must ensure environmental equivalence and provide clear evidence that there will be no negative environmental impact prior to projects receiving funding.

^{3 3} Murray Darling Basin Authority. "MDBA Analysis: Menindee Lakes Water Saving Project Phase 2 Business Case. Proponent: NSW". Released under of Freedom of Information, 2018.

In addition to Draft Recommendation 4.4, considering there have been serious allegations made against the NSW Government of mismanagement and maladministration and the ongoing nature of investigations regarding these allegations, we propose that there should be a recommendation that all reports on NSW Government projects should be made public and undergo an independent peer review prior to funding approval.

We strongly support Draft Recommendation 4.5 for the establishment of transparent and accountable governance arrangement for the Northern Basin Toolkit. As noted, there is minimal accountability for state governments to effectively and efficiently implement these measures, something that is of great concern.

Water resource planning

We agree with the Draft Findings 6.1 and 6.2. For the reference of the Commission, there has been no further consultation on the New South Wales Murray and Lower Darling Water Resource Plan with Lower Darling communities since the Productivity Commission received initial submissions. This is of growing concern for the community. It is unrealistic that the NSW Government will be able to deliver a Water Resource Plan which has undergone appropriate community consultation by the 30 June 2019 deadline. We therefore support Draft Recommendation 6.1. We also support Draft Recommendations 6.2 and 6.3, which will improve Basin State accountability.

Water quality

We note that Draft Finding 8.2 relates specifically to water quality on the Lower Darling. The Draft Finding suggests that these issues will be addressed by the New South Wales Murray and Lower Darling Water Resource Plan. As commented above, communities on the Lower Darling have not had any further consultation since the Productivity Commission received initial submissions. We have significant concerns about the development of the New South Wales Murray and Lower Darling Water Resource Plan, particularly given the lack of community engagement or consultation. We also note that, as identified in the Draft Report, issues of water quality on the Lower Darling are related to the management of water in other catchments, and the absence of connectivity currently between Water Sharing Plans. We have received no indication that the issue of connectivity will be resolved through the Water Resource Plans.

It should also be noted that the situation regarding water quality on the Lower Darling at the time of this submission (October 2018) is critical. The Lower Darling is expected to cease to flow in December 2018. The response by the NSW Government in regard to addressing urgent water quality issues, particularly for stock and domestic users, has been both slow and minimal. At this point in time, we have been given no assurance that there will be a supply of water beyond December 2018. While it is proposed that block banks be built between the townships of Menindee and Pooncarie, these banks have not been constructed and there is limited information on the length of time that water will be available. It has been clearly acknowledged

by the NSW Government that water quality will be poor. There will be families who will not be able to access water stored by these block banks. Therefore, we do not support the Draft Finding that the NSW Government is adequately addressing either the short to medium term, or the long-term concerns regarding water quality in the Lower Darling. We also note that there is not a recommendation associated with this Draft Finding.

We note that this will be the second time in four years where water quality has been significantly compromised due to extended periods of no flow on the Lower Darling. We reiterate the failing of the NSW Government and the MDBA to effectively manage the River in a manner which prioritises connectivity (particularly in the Lower Darling) over efficiency of delivery of water by the MDBA (their primary priority as stated to us on many occasions).

Critical human water needs

We note Draft Finding 9.2 relates specifically to management of critical human water needs on the Lower Darling. As in Draft Finding 8.2, the finding indicates that the development of the New South Wales Murray and Lower Darling Water Resource Plan will resolve this concern. As discussed above, there has been no community engagement of consultation on the Water Resource Plan over the last 6 months, and there is significant concern about the capacity of the NSW Government to have the New South Wales Murray and Lower Darling Water Resource Plan accredited by 30 June 2019 with appropriate community consultation. We also note, as stated above, that the short to medium term response by NSW Government with the current extreme event provisions has not secured a safe water supply for critical human water needs for many users on the Lower Darling when the cease to flow event commences in December 2018. The failure of the NSW Government to provide safe supply water for critical human water needs to users during the cease to flow event in 2015/2016 is anticipated to occur again by January 2018.

Therefore, we do not support the Draft Finding that the NSW Government is adequately addressing either the short to medium term, or the long-term concerns regarding critical human water needs in the Lower Darling. We also note that there is not a recommendation associated with this Draft Finding 9.2.

We again thank you for the opportunity to comment on Draft Report prepared by the Commission and are happy to be contacted regarding this submission.

Robert & Katharine McBride

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