Coleambally IRRIGATION
Co-operative Limited

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National Water Reform 2020

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Dear Commissioners

Coleambally Irrigation Co-operative Limited's (CICL) Submission to the Productivity Commission (PC) National Water Reform Inquiry

Key points

- The National Water Initiative (NWI) water entitlements and planning framework have delivered important benefits and sound frameworks for supporting economic and associated social outcomes. They have also provided a statutory basis for securing water for the environment and a robust basis for transitioning to sustainable diversion limits.
- The objectives of the Water Act 2007 (Cth.) are inconsistent with the intent of the NWI which was to **balance** economic, social, environmental and other interests because it gives precedence to the environment.
- For stakeholders in the Murray-Darling Basin, the Murray-Darlin Basin Plan (the Basin Plan) and the NWI are inextricably linked. Failure by governments to address constructively and fairly concerns with the Basin Plan place at risk some of the fundamentals of the NWI.
- A renewed NWI should provide guidance on what the national interest means in practice, including the contribution water reform will make to COVID19 recovery.
- The NWI should endorse water use up to sustainable diversion limits as foundational to achieving the intent of the NWI.
- The NWI did not explicitly require the water entitlements and planning framework define extraction component as part of licence conditions. This is a weakness and a renewed NWI should require governments establish policy tools for managing congestion.
- The Basin Plan is a 'top down' reform which has not built regional support in communities impacted. A renewed NWI should strengthen the requirement for effective, regional decision making and provide a constructive path forward for the troubled Basin Plan. Failure to address community ownership and adjustment pressure will undermine the NWI.
- The current NWI water market settings combined with the Water Market Rules 2009 and Basin Plan Water Trading Rules are not nuanced enough to provide the policy signals that will result in sustainable and resilient production systems and sustainable flow regimes. Whilst avoiding duplication with the ACCC Murray-Darling Water Markets Inquiry the Productivity Commission should at least acknowledge the issues the NWI settings are causing.
- Water market and trading arrangements are impacting on river operations and the riparian environment and changes are required, including consideration of freight rates (loss allowance) for water moving between zones in the southern Murray-Darling Basin. The Productivity Commission should address lessons learned in the southern Murray-Darling Basin when considering the national water reform settings.

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- CICL supports the Productivity Commission's views expressed in its 2017 review which identified the need for better co-ordination to achieve integrated planning responsibilities. It is CICL's view the environmental management recommendations in the 2017 review remain relevant today.
- The enthusiasm for a 'singe point of truth' must learn from past efforts under the NWI to invest in compatible water entitlement registers and provide guidance on 'fit for purpose' investment in improved integration of information.
- The improved focus on water measurement and compliance resulting from the 4Corners Pumped Program, July 2017, needs to continue and deliver consistency between states.
- In NSW existing processes continue to address the risks of extreme events. A renewed NWI should not impose further interventions on NSW or be too prescriptive.
- The NWI in its current form is not nuanced enough to provide the policy signals that will result in sustainable and resilient production systems in the southern Murray-Darling Basin.
- The current water market and water trading policies will not result in sustainable flow regimes in the highly regulated southern Murray-Darling Basin.

1. Introduction

CICL welcomes the opportunity to make a submission to this inquiry.

This submission focuses on elements of the NWI and issues identified in the issues paper which are of direct relevance and most concern to CICL and its members. Our submission is informed by our experience as an Irrigation Infrastructure Operator in the Murray-Darling Basin, with our operations highly regulated by both state and federal laws. CICL is engaged in water reform in the interests of both the co-operative and our irrigation farmer members.

CICL is a member of both NSW Irrigators' Council and National Irrigators' Council and is aware both organisations will make submissions to the inquiry.

2. About CICL

CICL is based in the NSW Riverina and supplies irrigation and drainage services to nearly 500 farms via an open, earthen, gravity fed, channel network. Coleambally Irrigation has a dual governance arrangement, CICL and Coleambally Irrigation Mutual Co-operative Limited (CIMCL). CICL's infrastructure (excluding its earthen channel and drainage network) has a modern engineering equivalent asset value of $168M.[1]

The CICL area of operations is 456,821 ha including 317,281 ha which is serviced by the West Coleambally Outfall Channel. The intensively irrigated area is approximately 80,000 ha. Our members grow a range of irrigated crops, their farming systems are predominately annual production with limited investment in permanent plantings.

CICL operates and maintains the irrigation supply and drainage system and delivers a range of corporate services on behalf of its members. CIMCL has historically been responsible for the future replacement of the major assets within/under/over the supply and drainage systems. However, recent changes to CICL Rules now mean CICL is responsible for the future replacement and refurbishment of the assets of the supply and drainage systems.

CICL was previously government owned and on separation from government our customers' 'statutory water' rights were converted to contractual rights or 'irrigation

[1] Jacobs Coleambally Irrigation MEERA Valuation, November 2016.

rights' (CICL water entitlements). Our website contains more detailed information about our strategic approach and operations.

3. Assessing jurisdictional progress

3.1 Overarching objective of the NWI

CICL is aware that this inquiry is focussed on National Water Reform, however, for stakeholders in the Murray-Darling Basin the NWI is inextricably linked to the successes and failures of the Basin Plan.

It is CICL's view the objectives of the Water Act 2007 *(Cth.)* are inconsistent with the intent of the NWI which was to **balance** economic, social, environmental and other interests because it gives precedence to the environment.

In the Murray-Darling Basin implementation of the Basin Plan is at risk unless governments address community concern with impacts to date and with the remaining elements of the Basin Plan. This includes addressing the timeframe and consideration of alternative options for achieving the outcomes sought from the Basin Plan. Unfinished elements of the Basin Plan are the most challenging and these elements are deeply unpopular in the communities directly affected.

The extraordinary number of reviews and inquiries associated with the Basin Plan (over forty at last count) is testament to the problems associated with the Basin Plan and its implementation.

Failure by governments to address constructively and fairly concerns with the Basin Plan place at risk some of the fundamentals of the NWI.

This risk was identified by the Independent Panel engaged to complete an independent assessment of social and economic conditions in the Basin.

The Panel recognises the benefits to our nation from water reform over the past 15 years. We are not about going back. Many of the past reforms put us in a much better place to manage risk and take advantage of opportunities. But the Panel considers that markets are not perfect, and we are seeing the significant consequences of failure to put in place adequate policies and strategies to manage the distributional impacts of changes that Basin water reforms have facilitated and exacerbated. The Panel's view is that fundamental reforms with broad national benefits could be at risk if community support for water reforms falls further from where we are now.[2]

An example of this risk is the recent Water Position Statement released by Riverina and Murray Joint Organisation of Councils which proposes investigation of some policy initiatives which would act to erode the certainty of the water property rights framework which is the basis of the NWI.[3]

It is CICL's view that a key cause of these problems is the Water Act and the associated Basin Plan is not consistent with the objectives of the NWI because it does not explicitly require equal weight to economic, social and environmental outcomes.

Implementation of the National Water Initiative (NWI) was anticipated to:

[2] https://www.basin-socio-economic.com.au/47038/widgets/250651/documents/126155 pg. ix.
[3] https://www.ramjo.nsw.gov.au/wp-content/uploads/Riverina-And-Murray-Joint-Organisation-Water-Position-Paper.pdf

> *… result in a nationally-compatible, market, regulatory and planning based system of managing surface and groundwater resources for rural and urban use that optimises economic, social and environmental outcomes (paragraph 23*).[4]

Object 3 (d) (iii) of the Water Act, which relates to maximising the net economic returns to the Australian community from the use and management of the Basin water resources, is subject to determining environmentally sustainable levels of extraction and protection of ecological values and ecosystem services. In effect, not placing social and economic outcomes equal with environmental. An implicit assumption is that defining environmentally sustainable levels of take is straightforward and uncontested.

In addition, the objects of the Water Act (Clause 3 (a)) introduce this undefined concept of the national interest.

Is it in the national interest that the cumulative effects of the water reform undermine the future viability of gravity fed upstream irrigation schemes and their irrigation dependent communities, over downstream developments and environmental flows?

Is it in the national interest that demand from permanent plantings will consume most of the water available in the repeat of the 2006/07 drought?

These are the risks faced if a changed approach to the Basin Plan does not occur.

The COVID19 pandemic has reinforced that irrigated agriculture is an essential service. Irrigated agriculture will make an important contribution to the economic recovery from the COVID19 pandemic at a local, state and the national scale. This reality reinforces the importance of achieving national water reform which effectively balances economic, social and environmental interests.

CICL recommends

- **The Productivity Commission evaluate whether the outcomes of the Basin Plan for irrigated agriculture and their irrigation dependent industries and communities is consistent with the intent of the NWI and if not propose changes to address this circumstance.**
- **The Productivity Commission when considering enhancement of the NWI provide guidance on what the national interest means in practice, including the contribution water reform will make to COVID19 recovery.**

3.2 Water Access Entitlements and Planning Framework

Water Access Entitlements

The Water Management Act 2000 (*NSW)* and Water Sharing Plans (WSPs) made under the Water Management Act and associated regulations have enhanced the security of commercial water access entitlements, allowing water entitlements to be used as 'financial security' and owned separately to land, providing business flexibility. It is CICL's view the requirements under clause 31 of the NWI for *Water access entitlements* have been met in NSW.

In addition, and importantly, the entitlements framework has delivered a statutory basis for providing for environmental benefits. It is CICL's view the water entitlements framework has been a robust basis for supporting transition to sustainable diversion limits.

The Water Management Act, the Water Act and the Basin Plan strengthen the statutory basis for environmental outcomes.

[4] National Water Reform, Productivity Commission Issues Paper, May 2020 pg.7.

However, it is CICL's view that the MDBA position statement on Planned Environmental Water extends the definition of planned environmental water in section 6 of the Water Act.[5] This definition may limit changes to allocation policies to allow diversions up to the Sustainable Diversion Limit. The ability for water use in a catchment to be up to the Sustainable Diversion Limit is important to achieving equal weight to economic, social and environmental outcomes.

CICL recommends the NWI endorses water use up to the sustainable diversion limits as foundational to achieving the intent of the NWI.

Extraction component

A weakness of the NWI is that it did not explicitly require water access licences to have their capacity to take water defined. Consequently, the extraction conditions of water access licences in the regulated southern Murray-Darling Basin have not been adequately described. Governments do not have an effective policy tool for managing congestion issues and implementing restrictions, and limited policy tools to guide new investments. What happens in practice is that river operators go to extraordinary lengths to manage supply to avoid delivery shortfalls. This can be at the expense of upstream riparian environments and delivery efficiency.

The separation of land and water now means the implied right to water delivery associated with water entitlements will be difficult to link to work approvals/extraction points.

In contrast a different approach has been taken by irrigation infrastructure operators. The Water Market Rules 2009 *(Cth)* which required irrigation infrastructure operators separate water access charges from delivery charges resulted in CICL establishing delivery entitlements separate to irrigation right (water entitlement) ownership. The outcome is that CICL has policies for defining delivery rights and a clear policy for managing daily flow access in the event of delivery restrictions.[6] Permanent trade of delivery rights is allowed, provided that after the trade the destination channel continues to meet CICL's defined minimum daily service level.

The Water Management Act (Clause 56) provides for extraction components to be defined, however the Water Sharing Plan (WSP) for the Regulated Murrumbidgee Water Source 2016 has not defined the extraction component.

CICL recommends the NWI require government establish policy tools to manage congestion.

Planning Frameworks

The 'good' intentions of the NSW approach to water planning, grounded in the initial advisory process which developed the 2004 iteration of the NSW Water Sharing Plans, has been lost as the NSW government has increasingly been forced to respond to pressures imposed by the Commonwealth Water Act and Basin Plan.

Performance monitoring, including environmental outcomes, from the NSW water sharing plans has been inadequate.

[5] https://www.mdba.gov.au/sites/default/files/pubs/WRP-position-statement-3A-determining-planned-environmental-water_0.PDF.
[6] https://www.colyirr.com.au/de-fact-sheet, accessed Wednesday 15 July 2020

In parallel, state reform has dismantled regional processes with Government decision makers divorced from the lived experience of regional management. NSW now has a centralised process which delivers consistency but doesn't deliver optimal outcomes.

The Water Resource Plan development process has been challenging for Government and stakeholders with the Basin Plan requirements effectively stifling opportunity for stakeholder input into the Water Resource Plan planning process. The outcome is a planning process dominated by government agencies and constrained by the Basin Plan requirements.

At the same time regional stakeholders are exhausted by an externally imposed water reform with unending consultation. It is CICL's view that many stakeholders have been left behind or isolated from any understanding of the decision-making process or rationale for change.

Even informed stakeholders are questioning the process, where the rules of engagement mean the opportunities for improved decision making are significantly curtailed by Basin Plan requirements.

A perfect example is the Planned Environmental Rules in the WSP for the Murrumbidgee Regulated Water Source which have been a priority for review since the Water Sharing Plan was first made in 2004 because of their complexity. These Rules remain unchanged 16 years later in draft Water Sharing Plan 2020 submitted as part of the Murrumbidgee Water Resource Plan.

The Basin Plan and its limitations on changing planned environmental rules may act against integrated management.

In addition, failure to strategically build landholder support for key Basin Plan projects such as constraints relaxation is resulting in under-delivery of environmental outcomes from held environmental water. The government's approach to constraints management, intended to allow flows below minor flood level have resulted in no trust of government. The risk of under delivery on these projects will fall squarely on irrigators and irrigation dependent communities and environmental outcomes will be diminished.

CICL supports the Productivity Commission describing a constructive path forward to address these challenging issues.

CICL recommends the NWI strengthen the requirement for governments to establish effective regional decision making.

3.3 Water Markets and Trading

CICL notes the Productivity Commission's intention is not to duplicate the ACCC Murray-Darling Basin Water Markets Inquiry. However, this should not be a reason for the Productivity Commission to avoid evaluating the outcomes of the water market and trading.

Water markets are an effective mechanism for mitigating the impact of low water availability and have facilitated the shift of water to higher return per ML production. Water markets have provided increased flexibility for irrigation businesses to manage their capital. CICL is a strong supporter of water markets and our members are active participants, particularly in the annual water market. However, without a more nuanced approach to water markets, CICL is of the view the current settings are resulting in third party impacts, reduced river operational efficiency, and environmental impacts in the southern Basin.

Water market products have been developed, which are increasingly sophisticated and being used by the commercial sector to support irrigated agriculture including expansion in some areas, particularly of permanent plantings. This shift is fundamentally changing the patterns of water use in some regions with implications for some industries viability and river operations.

These products provide valuable opportunities for irrigators to manage between year water availability. On the down side, industry is now exposed to a risk where annual demand will be close to the limits of water availability in the southern Murray-Darling Basin. Recent work completed by consultancy firm Aither, for the Victorian Government, drew the following conclusion:

> *In the absence of any demand-side response, Aither found that water demand from existing permanent horticultural plantings could increase by 125 GL once they reach full maturity; compared to 2018-19 demand of approximately 1,230 GL.*
> *If this happens in a year with water supply conditions similar to 2018-19 (2,831 GL), across the connected Murray and Goulburn systems there will be plenty of water in excess of demand from permanent horticulture. But, if this happens, in an extreme dry year with similar water supply conditions to 2007-08 (1,560 GL, surface water and groundwater), there may only be a small volume of water in excess of permanent horticulture demand across the connected Murray.*[7]

At the same time early signs are this shift in production may lead to perpetual underuse of water compared to the annual sustainable diversion limits established by the Basin Plan, which if correct, represent a lost economic opportunity for catchments[8].

The NWI's support for exchange rates did not address impacts of changing the physical destination. The volume of Goulburn water converted to Murray water, which is now delivered outside of the IVT trading limits is significant and contributes to the environmental impacts on the Goulburn river of IVT deliveries and arguably congestion issues in the Lower Murray.

The NWI water trading framework also does not address delivery efficiency adequately, with one ML sold out of the upstream part of the regulated catchment equal to one ML in South Australia.

CICL supports the development of freight rates (loss factors applied to trade between zones) which reflect changes in delivery efficiency.

The Productivity Commission should address lessons learning in the southern Murray-Darling Basin when considering national water reform settings.

3.4 Best Practice Water Pricing

Despite the NWI, Water Act and Water Charge Rules 2010 there is still inconsistency between states on the application of best practice water pricing. This statement is most relevant to the recovery of the Murray-Darling Basin Authority (MDBA) costs and state management and planning costs.

[7] https://www.aither.com.au/water-demand-southern-mdb-how-could-it-change/, Accessed July 13, 2020
[8] https://www.mdba.gov.au/publications/mdba-reports/transitional-sdl-water-take-reports, Accessed, July 13, 2020.

In addition, changes to the water user share of a range of activities agreed by the NSW Independent Pricing and Regulatory Tribunal (IPART)[9] will increase the user contribution and increase this discrepancy.

It is CICL's view IPART's adoption of cost share based on 'impactor' pays means the significant public benefits including, community, social, economic and environmental benefits, because of a regulated river system, are not adequately recognised in water pricing framework.

3.5 Integrated Management of water for Environment and other Public Benefit

Significant progress has been made in reporting on environmental water management and outcomes but there is still room for improvement. There is a lot of information available in a plethora of places about environmental water holdings, environmental water and outcomes delivered.

However, reporting of outcomes remains fragmented between the different programs, for example, Living Murray, versus NSW Water Sharing Plans, and the Commonwealth Environmental Water Holder. From the outside, the different programs are not streamlined, for example Living Murray versus Murray-Darling Basin Plan are still separate programs and the removal of duplication and efficiency gains proposed by the Productivity Commission's 2017 review have not been delivered.

In NSW and under Commonwealth programs there are significant opportunities to improve integrated management of land and water resources. For example, where is the investment under the Basin Plan in riparian and waterway management? The northern Basin 'tool kit' measures including riparian management include fencing. There is nothing equivalent in the southern Basin. Natural Resource Management programs are separate and not well integrated with water programs.

As external observers, the constraints to addressing fish passage as an alternative to just adding water are significant in the southern Murray-Darling Bain.

Community stakeholders remain concerned with the efficacy of feral animal and weed control.

In NSW investment in complementary measures is poorly co-ordinated and underfunded.

CICL supports the Productivity Commission's views expressed in the 2017 review which identified the need for better co-ordination to achieve integrated planning responsibilities.

It is CICL's view the environmental management recommendations in the 2017 review remain relevant today[10].

3.6 Water Resource Accounting and Compliance

Some progress has been made, but it is not consistent between states and there are multiple organisations reporting on different things, between the state agencies, ACCC and the Bureau of Meteorology.

The NSW general purpose water availability reports contain useful information. If the equivalent information is available from South Australia and Victoria it is difficult to find.

[9] https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/investigation-administrative-water-rural-water-cost-shares/legislative-requirements-water-rural-water-cost-shares/final-report-rural-water-cost-shares-february-2019.pdf. Accessed, July 13, 2020

[10] Productivity Commission (2017) Water Reform, Inquiry Report, Overview and Recommendations, December 2017 pg. 30

NSW continues to make progress with improving the transparency of water resource accounting, including environmental water. However, there continue to be opportunities to improve transparency and access to this information.

One of the largest hurdles in the Basin is bringing together the Commonwealth information and reporting with state information and reporting. The NSW environmental water register provides detailed information on environmental water holdings, water availability etc. at a searchable catchment scale.[11] This is inclusive of Commonwealth holdings and is a positive initiative.

CICL is aware of the current enthusiasm among stakeholders for a 'single point of truth,' however, in progressing this approach governments must learn from past efforts attributed to the NWI to improve public reporting and water entitlement registers.

Continued investment in compliance and consistent metering and assurance standards are essential to building confidence and ensuring equity. CICL believes the approach taken by NSW, which includes the creation of an independent regulator the Natural Resources Access Regulator and improved non-urban metering standards should be replicated.

The improved focus because of the 4Corners Pumped Program, July 2017, needs to continue and deliver consistency between states.

3.7 Community partnerships and adjustment

Clause 93 of the NWI states Parties agree that the outcome is to engage water users and other stakeholders in achieving the objectives of this agreement by:

1) Improving certainty and building confidence in reform processes
2) Transparency in decision making and
3) Ensuring sound information is available to all sectors as key decision points.

CICL's view is that the NWI's approach to partnerships and adjustment in the Basin was over-run by the top down reform imposed by the Water Act and Basin Plan in a process that did not build a shared vision for the Basin Plan with the Basin Plan just focussed on volume. Whilst many participants in this reform view it as a 'once in a lifetime' opportunity to address over use. The views of regional communities impacted and endeavouring to adjust to the cumulative impacts of water reform including the Basin Plan are quite different and becoming increasingly strident in their opposition.

Failure to address community ownership and adjustment poses a significant political threat to not just the Basin Plan but also the NWI.

4. How effective are water plans at managing extreme events such as severe drought?

What steps have been undertaken – or should be undertaken – to plan for long term changes in climate?

It is important planning is catchment based and the NWI is not too prescriptive because of the significant differences across catchments.

NSW has developed its Extreme Events Policy[12] and catchment-based Incident Response Guides which form part of the Murrumbidgee Water Resource Plan. In the Murrumbidgee, lessons have been learned from the millennium drought by both farmers and government which mean the planning process is improved and clearer than it was prior to 2006/07 when the WSPs were suspended. This includes understanding the

[11] https://ewp.water.dpi.nsw.gov.au/ewr/main/ewrHome accessed, 16 July 2020

[12] https://www.industry.nsw.gov.au/__data/assets/pdf_file/0008/187703/Extreme-Events-policy.pdf, accessed 15 July 2020

requirements for critical human needs, a risk-based approach to ensure allocation policy is risk adverse and provides enough water for high priority needs in the next year before increasing allocations to lower priority entitlements.

In addition, changes to the Snowy Hydro Licence have created drought accounts with defined trigger points for call out. These accounts are currently full and were not required during the most recent drought.

CICL argues, at least in our catchment, the measures in place are effective to manage for severe drought. Furthermore, the Regional Water Strategies being developed by the NSW Department of Planning, Industry and Environment are intended to provide a sound basis for government and regional stakeholders to improve the resilience of our water resources for towns and communities, the environment, Aboriginal communities and industry.[13]

The Productivity Commission should not be recommending changes that will require further interventions into NSW processes that are underway or complete.

5. Are there any other current or emerging water management challenges where the NWI could be strengthened?

It is CICL's view the NWI has underestimated industry's response to the combined outcomes of: 1) separation of land and water; 2) removal of trade barriers; and 3) government action to address overallocation, which in the Murrumbidgee Valley's case has reduced the consumptive pool by 30 percent compared to the 1994 Cap on Diversions.[14]

A reduction in the volume in the consumptive pool in the order of 20-30 percent compared to the 1994 Cap on Diversions, with only limited change to irrigation foot print, has occurred across the southern Murray-Darling Basin. The cumulative effect of these reform is significant in some regions and is causing changes to river flow regimes which are impacting on the environment and third parties.

There has been growth in permanent plantings in the southern Basin and in downstream developments (discussed earlier) which mean permanent planting water use is at the limits of extreme dry water availability.

This development will be at the expense of annual irrigation programs. It is CICL's view that the growth in permanent plantings in the interim delivers improved returns per ML, it is also at the expense of production systems that are more resilient and flexible to the inherent variability of Australia's inland water supplies. Many permanent plantings are not flexible in their annual water demands and they are a long-term fixed investment with limited flexibility to change in response to commodity prices variability.

The cumulative effect of water reform is making industry less resilient by increasing the area of permanent plantings compared to annual cropping programs which are more flexible and able to respond to variable climate and changing commodity prices.

It is CICL's view that the NWI in its current form is not nuanced enough to provide the policy signals that will result in sustainable and resilient production systems in the southern Murray-Darling Basin.

Similarly, CICL does not believe the water market and water trading policies are adequate to ensure policy settings will result in sustainable flow regimes in the highly regulated southern Murray-Darling Basin.

[13] https://www.industry.nsw.gov.au/water/plans-programs/regional-water-strategies accessed 15 July 2020.
[14] MDBA, Trends in Water stakeholder workshop, April 2020.

To be more specific settings that balance meeting daily flow requirements without negatively impacting on the riparian zone and reducing efficiency of river operations. The issues associated with the Goulburn Intervalley Transfers (IVT) are an example of where the policy settings have failed and now actions to rectify or address these failings are required.[15] However, rectification is going to place pressure on the Murrumbidgee IVT and the River Murray and increase stress and uncertainty on downstream developments.

Managing this issue will highlight the fact daily extraction rates have not been described and there is no clear policy direction to irrigators/investors on how congestion issues will be managed.

6. Conclusion

The NWI is an important national reform which has delivered significant benefits. Sustaining these benefits will require changes to governments' approach in the Basin Plan. The Water Act and Basin Plan dominate the water reform agenda in the Murray-Darling Basin. This inquiry is an opportunity to identify policy gaps in the NWI and to strengthen the requirement of governments to build community ownership of water reform. Failure to do so presents a significant political threat to the Basin Plan and the NWI.

It is also an opportunity for a renewed NWI to learn from the lessons in the Murray-Darling Basin, particularly in relation to the role of water markets and trading.

CICL would be pleased to participate in further stakeholder consultation with the Productivity Commission during their inquiry.

If you require further information or would like to discuss any aspect of this submission, please contact Jenny McLeod, Policy and Communication Manager, via Reception on T: 02 6954 4003.

Yours sincerely

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[15] https://waterregister.vic.gov.au/water-trading/trading-rules/goulburn-to-murray-trade-review access, July 16, 2020.