

Productivity Commission  
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Wednesday 10 October 2018

**RE: Submission into Draft Report Murray-Darling Basin Plan: Five-year assessment**

Dear Commissioners,

The Nature Conservation Council of NSW (NCC) has welcomed the opportunity to comment on the Productivity Commission's 5-year review of the implementation of the Murray-Darling Basin Plan, with reference to the recovery of water for the environment and the achievement of sustainable diversion/extraction levels (SDL) by 2024.

The Nature Conservation Council and the environment groups we represent have been winning protections for nature in NSW for more than 60 years. We've been at the centre of many of the state's iconic conservation battles, and have notched up countless wins for nature and local communities.

NCC lodged a submission to the Productivity Commission's discussion paper in April 2018. We made four clear recommendations:

The Nature Conservation Council calls on the Productivity Commission to recommend that:

1. Governments re-instate the targeted buy-back of environmental water at an efficient price in order to ensure the SDL can be achieved within target timeframes, and where necessary, to mitigate impacts through limiting the rate of purchase or other structural adjustment mechanisms;
2. The NSW Government makes legislative changes that would enable the protection of environmental flows through downstream extraction zones;
3. The NSW Government ensures that the current processes of developing Water Resource Plans, licensing flood plain harvesting, and metering of all unregulated river licences result in no growth in development since 2004; and
4. That government agencies related to water management undertake institutional reform to clearly separate the roles of Operator/Regulator/Manager, and ensure that the regulator and manager roles are not subject to direct industry servitude as part of some mega-department.

**Additional Comments**

We are very disappointed with the weak recommendations provided in the Draft Review Report. These recommendations fail to recognise the environmental objectives and international commitments of the Basin Plan and *Water Act 2007*.

The economic analysis of costs of various water recovery scenarios does not include the option of lifting the cap on purchase of water entitlements.

Furthermore, the infrastructure costs in Appendix B should be inflated relative to market priced recovery due to the significant delay in time of delivery and the risk of delivery. In addition, the analysis of the cost of recovering water for the environment in Appendix B should deal with time and risk explicitly.

The risk analysis of meeting timeframes and objectives for Basin Plan implementation is very poor.

There needs to be stronger competitive signals for efficient distribution of capital costs with respect to the volume of recovered environmental water.

The response to the need for institutional reform at state and federal level is also very weak.

Thank you for the opportunity to provide comment on the Productivity Commission's Draft Report in to the Murray-Darling Basin Plan. Please do not hesitate to contact Daisy Barham  
to request any further information.

Your sincerely,

Daisy Barham

Campaigns Director

Nature Conservation Council of NSW