

SUBMISSION TO DRAFT REPORT OF 5 YEAR ASSESSMENT OF MURRAY DARLING BASIN PLAN BY PRODUCTIVITY COMMISSION

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Please find our submission making comment on the Productivity Commission Draft Report. Firstly our comments on the Constraints projects specifically and then comments pertaining to statements throughout the Draft Report.

The Constraints Management Strategies cannot be delivered by 2024 and it is time the MDBA acknowledged this. The strategy has been stalled for nearly 3 years, as basin state proponents, Victoria and NSW realise the current projects are unviable and unachievable. There has been no contact with communities or landowners in general during this period.

The Constraints projects and the recovery of the 450GL are totally interdependent and cannot and should not proceed until a full and detailed Cost/ Benefit Analysis of the social, economic and environmental issues has been undertaken.

There are a large number of insurmountable problems that cannot be overcome with the constraints strategy, including inability to negotiate easements with landowners, refusal of GMW to accept legal liability and the transfer of risk to their customer irrigators, impossibility of overcoming the myriad of physical constraints throughout the river systems, including many chokes in the river channel capacity.

The Draft Report has failed to assess and report on the ramification of a changed climate scenario, acting as a risk and impediment to the ability of constraints measures to deliver environmental water and achieve enhanced outcomes and the fact that there has been no evaluation or assessment by the MDBA on the actual ability of Constraints Strategy projects to be implemented.

Our “climate has shown a warming and drying trend in recent decades and this trend is expected to continue”(GMW 2018), yet we see no evidence that this is being factored in to any basin plan strategies.

The fact is that the Constraints business cases are based solely on the premise that the reduction in river flows and floods are the result of over extraction of irrigation water and development of on-stream water storages with-holding flows, so that there is no longer the same number and volume of flood flows in our river systems. The Murray Darling Basin Authority have refused to acknowledge that the basin no longer consistently receives the rainfall, run-off and in-flows to produce the historical flood flows on which they have based constraint strategy flows. Nor has it taken into account the drastic reduction of inflows caused by the major bushfires in the High Country in 2006-2007 and the catastrophic 2009 Black Saturday Murrindindi fire in the Goulburn Catchment. Science tells us that these inflows will be reduced for the next 100 years as new forest growth takes up extra water. The Draft Report states very clearly that it is highly unlikely the constraints projects can be implemented by 2024. However the report did not emphasise that there must be a review by the MDBA of the proposed man-made flood flows and the actual ability to achieve the proposed constraints flows.

This strategy has been based on the MDBA’s hydrological model which provided long term averages of flows for 114 years(1895-2009) under pre-European settlement conditions(without development), the

baseline level and the proposed 2,750 GL per year reduction in diversions, relative to baseline diversions.

The purpose of the hydrological analysis was to determine the change in frequency and duration of specific flood events, defined by magnitude under the Basin Plan 2750 scenario compared to the baseline.

The Goulburn River Constraints Business Case 2014 was based on the MDBA's 114 years hydrological flows model and 55 years(1960-2014) of historical flood flows, so therefore the Victorian proponents(DELWP AND GBCMA) followed the strategy that the Goulburn flood flows should be as follows:

- 1) A recommended 7-10 events(optimal 8) in every 10 years of 25,000ML/day at Shepparton between June-November for a duration of 5 days(Includes natural events)
- 2) A recommended 4-6 events (optimal 5) in every 10 years of 40,000ML/day at Shepparton between June-November for a duration of 4 days (includes natural events).

The MDBA failed to acknowledge the real step change in climatic conditions which have occurred since the start of the Millenium Drought in 1997. From the 1950's through to 1996 the Goulburn system and its tributaries experienced consistent floods in the majority of years except during dry or drought periods which lasted 1-2 years. On the Yea River, which is an unregulated stream, we would receive between 1-5 floods nearly every year and these rose and receded very quickly.

Since 1997 we have been lucky to get ONE flood every 4-5 years.

- 1) 1997-2004 No floods
- 2) 2005 flood in February due to 4 inches overnight;
- 3) 2010, 2011, 2012, we had 3 flood years at the breaking of the Millenium Drought
- 4) 2016 September flood, which in the Goulburn system was small compared to the other catchments in the MDB
- 5) No floods since 2016

The above Goulburn Constraints flow figures were revised in 2016 to 25,000ML/day at Shepparton for 7 years in every 10, including natural events, with a peak of 30,000ML/day.

Victorian Water Minister Neville, understanding the severe impacts that would occur from proposed overbank flows, then made the following statement on Constraint Strategy flows in the Goulburn River:

- Environmental flows reduced to 20,000ML/day at Shepparton
- In-channel flows only -no overbank flooding
- No flooding of private property without the consent of landowners
- No compulsory acquisition of easements

This reduction in flows, as stated by Minister Neville, in the Goulburn River means that it will be impossible to achieve the proposed 80,000ML/day to the South Australian border, as the Upper Murray and Goulburn are acknowledged as being the drivers of such flows.

The Draft Report states that the Constraints projects will not be able to be implemented by 2024, and we agree with this, but the report makes little comment on why these projects are 3 years behind schedule or the fact that proponents have had no contact with landowners or communities in that 3 year period.

The Murray Darling Basin Authority under the Basin Plan have an obligation to provide annual reports to Ministerial Council on progress with implementing constraints strategy. They are obliged annually to assess and report on progress against recommendations in the Constraints Management Strategy. There has been NO report published or released on Constraints Management Strategy since the 2015 report, then suddenly the 2016 report appeared just recently, but no sign of the 2017 report. The MDBA have an obligation to report to the basin communities and landowners on whether constraints will

proceed or not. With no formal information, landowners have been left in limbo as to impacts on their properties.

The Terms of Reference state – “ *the extent to which the current framework for implementing the Basin Plan, including the framework for monitoring, compliance, reporting and evaluation, is likely to be sufficient.*.” yet the Commission made no comment on the fact that Constraints Strategy projects under the Phase 2 Assessment Guidelines Section 3.1 will not be compliant as they will fail to be operational by 2024 – “ *This criterion reflects the requirement of the Basin Plan and the IGA Protocol that all supply and constraint measures must be ready to enter into operation by 30 June 2024 (cl.7.12 of the Basin Plan and Table 1 of the IGA Protocol). In order for the measure to satisfy the criterion, the proponent will have to demonstrate that the measure will be designed and implemented to enter into operation by 30 June 2024.*.”

This document also clearly states under Eligibility Criteria- “ *If the business case does not satisfy all relevant eligibility criteria, the measure will be assessed as ineligible and no further assessment will be undertaken.*.”

The initial Goulburn River Constraints Business Case failed the Phased assessment guidelines of eligibility criteria, was withdrawn, yet has been re-written in order to be re-assessed. The Draft Report made no comment on this fact.

The Terms of Reference state the Commission should assess “the extent to which the current framework for implementing the Basin Plan,..... is likely to be sufficient:

- to support delivery of the objectives and outcomes identified in Chapter 5 of the Basin Plan,....
- to enable assessment of risks and risk mitigation requirements and provisions associated with Basin Plan implementation; and
- to enable an assessment of progress in meeting the Plan's objectives and outcomes under the next scheduled review of the Basin Plan in 2026.”

It is blatantly obvious that the Constraints Strategy projects have no integrated policy or management framework across the basin states and no Cost/ Benefit Analysis has been undertaken, so how on earth can fair and equitable implementation across states occur? The MDBA have failed in every aspect of providing a policy framework to enable decisions and assessments to be made.

If the Commission is to report on the effectiveness of the implementation of the Basin Plan and assess progress specifically on Constraints measures then the Commissioners need to understand Constraints Projects in the Southern Basin were initiated on the basis of flawed reports that informed decision makers that primary producers on the floodplains throughout the basin would benefit from flooding of their land. This assumption is of course incorrect and the reason why there is such strong opposition to the Constraints projects and one of the reasons why the strategy has been at a standstill for 3 years.

The MDBA “contracted GHD to deliver project MDB2106 – ‘Assessment of benefits of the Basin Plan for primary producers on the floodplains in the Murray Darling Basin.’ Page 1 declared, “the purpose of this project is for the MDBA to gain:

- An improved understanding of the primary producers and agricultural production on floodplains in the Basin, and the effects of the Basin Plan on these primary producers;
- a preliminary assessment of the benefits of the Basin Plan for primary producers and agricultural production on the floodplains;
- and Guidance to set foundations for further longer-term work pertinent to primary producers and agricultural production on the floodplains.
- The information compiled in this report will be used to inform the preparation of the Regulation Impact Statement (RIS) for the proposed Basin Plan.”

Consistent with the Australian Government’s Regulatory Impact Analysis requirements, the purpose of the RIS is to enable the Minister, Members of Parliament, and the Australian community to be informed of the environmental, social and economic implications of the implementation of the Basin Plan. It forms part of the supporting documentation for the Basin Plan.

The GHD project used “three selected regions, hydrology modelling and spatial analysis of the Basin Plan on the timing and extent of floodplain inundation, financial modelling to assess benefits in the selected regions and extrapolation across the Basin, and recommendations for future monitoring and evaluation activities to assess outcomes following the implementation of the Basin Plan.”(Page 1) Page 2 states: “Given the limited time available to complete the project GHD selected three northern Basin regions for investigation and consultation with landholders: Lower Balonne, Barwon-Darling and Lower Murrumbidgee/Lower Lachlan.” were selected.

Page 45 of the Regulation Impact Statement states:

Floodplain agriculture will benefit from increased inundation of floodplains. A case study by Arche Consulting (2010) of three farms in the Basin (White Cliffs, Cuttaburra and Wilcannia) found that flooding has a positive effect on gross profit of floodplain agricultural enterprises. A study by GHD (2012) estimated that the Basin Plan would result in an incremental economic value of \$65million...”

So through the above process, the MDBA informed the Basin Plan decision -makers that increased inundation of floodplains would be economically beneficial. This was entirely based on studies undertaken in northern regions then extrapolated to encompass catchments such as the Goulburn River catchment where there is absolutely no comparison in the land type meaning flooding conditions and impacts are entirely different.

To my knowledge, there has never been any further investigation or cost/benefit analysis on the impacts of flooding under a Constraints Strategy for any of the key constraints areas and certainly nothing on the Goulburn River constraints region where the landscape and farming enterprises are completely different to the 3 northern areas used in the GHD project and Arche Consulting study.

OTHER COMMENTS

Page 113 Table 4.2 Productivity Commission Draft Report(PCDR) shows the number of properties affected to be 3,036.

Our Comment:

The number of properties affected on the Goulburn River under the initial Goulburn Constraints Business Case is 562 and an additional 11,552 hectares(GBCMA figures 2016), bringing the total to 3598 affected properties covering 98,109 ha or 245,237 acres. We have not been privy to the re-written Goulburn Constraints, but have been informed by the Victorian Water Minister that all environmental flows will be in-channel. However, using these figures, it is obvious that there is not enough money left in the Basin Plan pot of \$4.9 Billion to pay landowners mitigation compensation on today's market land values for loss of productive capacity on their prime land in perpetuity as well as fund the recovery of 450GL by a 1.75 multiplier at the current market price of \$5,004/ML

Page 111 PCDR states "Implementation of constraints projects will be highly complex. It will involve Governments assessing the impacts of higher flows for every affected landholder."

Comment:

Assessing the impacts of higher flows on every affected landowner was to have taken place 3 years ago and has not taken place in the Goulburn, Hume-Yarrawonga, or other constraints Constraints focus areas to my knowledge.

The MDBA stated prior to finalising the Goulburn Business case that "only limited farm scale interactions will take place, as there is now insufficient time and money to undertake "property-by-property" assessment with regard to landholder impacts and mitigation options.

Yes, implementation of constraints would be 'highly complex', but as none of the work below as set out by the Constraints Strategy, to my knowledge, has been undertaken then this strategy cannot be implemented within the legislated timeframe.

The Constraints Management Strategy 2013-2014 stated on Page 38- "There are a number of other mitigation and operational measures that may be needed that have not been costed. These include:

- upgrading the stream-gauging network, especially for the unregulated tributaries; this is needed to improve operational forecasting and confidence to make regulated releases from Eildon Dam on top of unregulated tributary flows
- potential costs associated with any upgrades needed to drainage or stormwater systems ·
- potential costs associated with mitigating impacts on specialist businesses in the Goulburn — for example, impacts on caravan parks and other tourist focused businesses, and quarries and trout farms ·
- upgrading the real-time operating system, including developing rainfall run-off models."

The draft report emphasises how critical metering is in compliance and monitoring in irrigation areas, but has ignored commenting on the fact that metering is critical to knowledge of water availability, co-ordination of tributary flows within catchments and ability to coincide flows between major river systems and that a complete metering system is vital to the delivery of environmental flood flows from the upper catchments downstream several thousand kilometres to South Australia. The fact is that river systems, such as the Upper Goulburn River Catchment has a known paucity of gauges. It has been acknowledged in many reports over the years that real-time telemetry, rainfall and streamflow gauges are required in order to safely and successfully coincide flows.

And PCDR states "Governments have not yet clearly articulated how constraints will be eased where landowners refuse to participate in negotiations."

COMMENT:

Basin States cannot legally flood private property and this alone should stop further progress in constraints projects

The Victorian Government has very clearly articulated their policy where landowners refuse to participate in negotiations on easements, as stated in a letter received from Water Minister, Lisa Neville.

Excerpt from letter received from Minister Neville December 2016:

"The Victorian Government recognises that any relaxation of constraints will pose third party flooding related risks which can impact public and private land, infrastructure, stock and people. Victoria's policy remains that it will not intentionally flood people's land without prior agreement, nor will the government compulsorily acquire land or easements."

This commitment was reiterated by Minister Neville in a letter dated 10th September 2018:

"Regarding the issues with constraints and delivering environmental flows, the Victorian Government maintains its commitment not to flood private land without prior landholder consent, nor to compulsorily acquire land or easements."

However the MDBA appears to be intent on applying pressure on Victoria as shown by comments in their submission to the Productivity Commission 5 Year Assessment Report.

See Page 22 MDBA submission:

"The Goulburn constraints project currently includes flow rates that are lower than originally estimated by Victoria in settling the Plan. In assessing this constraint project, jurisdictions and the MDBA will need to be satisfied that environmental outcomes are delivered."

And Page 23 MDBA submission:

"The management of constraints is an evolving space. The ideas and understanding of potential flow rates in the CMS do not always mirror the understandings of today, and different management arrangements may be possible to achieve the original goals. States recognise this in business cases, which commit to the continued investigation of ways to relax constraints, and were able to contemplate more ambitious flow rates in some business cases as a result. For example, the use of 'buffers' reflects the understanding that higher flow rates are only needed occasionally to achieve environmental benefits."

Comment

It must be noted that at all the Technical Advisory Committee meetings that I attended and were run by the MDBA in conjunction with the Goulburn Catchment Management Authority, committee members and the public at community meetings were informed that buffer flows were only modelled to enable compensation mitigation.

There was never any notion of 40,000ML/day buffer flows being used and "needed occasionally to achieve environmental flows." Even when the Technical Advisory Committee vigorously questioned the MDBA and GBCMA on whether the 40,000ML/day flow was to be used for environmental flood flows it was totally denied.

As a representative of Upper Goulburn River Catchment landowners and a member of the Technical Advisory Committee, who along with others, freely gave many hours of our time to assist and inform the MDBA and Basin Plan process, I feel we have all been deceived and have no trust in what the MDBA attempt to tell us in the future.

It is very obvious that the MDBA is not prepared to accept the position that Victoria has taken in protecting its people from flooding impacts by man-made environmental flows and will continue to push the proposal to relax constraints in order to achieve flows of 80,000ML/day at the SA border, as

without this flow volume the MDBA know enhanced environmental objectives cannot be achieved. And without a 40,000ML/day flow in the Goulburn to add to flood flows from 3 out of the 4 major river systems, 80,000ML/day at the South Australian is virtually impossible to achieve.

Page 113 PCDR states:

Hydro-cues is 'critically dependent' on implementing constraints projects (MDBA 2017k, p. 17) which are highly unlikely to be completed by 2024.

Comment:

This statement is absolutely correct. Hydro-cues, Enhanced Environmental Water Delivery cannot happen without relaxation of constraints, installation of improved river and rainfall gauges, development of basin scale operational tools and river operator skills, investigation of tributary impacts, development of high- tech BoM flow forecasting, individual assessment of over 3,000 properties and innumerable infrastructure both private and public, detailed analysis of duration of flows in all reaches

Page 128 PCDR states:

“Constraint easing is particularly important for achieving the Schedule 5 outcome of watering larger areas of floodplains in the southern Basin, which modelling suggests requires flow rates of 80 000 ML/day in the River Murray at the South Australian border.”,

Comment:

The Enhanced Environmental Outcomes in Schedule 5 of the Basin Plan are aspirational and ambitious in the extreme and it has been shown by the experience of the September 2016 floods that these cannot all be met.

The September 2016 floods sent in excess of 60,000ML/day for 5 weeks over the South Australian border and still did not clear the Murray mouth sufficiently to withdraw continual dredging for more than a few days. Ensuring the mouth of the River Murray is open without the need for dredging in at least 95 per cent of years is impossible.

The MDBA also overstated the salt volume in saying that it was necessary to export two million tonnes of salt from the Basin annually as a long-term average. Neil Andrews, the Chair of the MDBA has since conceded on ABC radio that the volume is more like 1 million tonnes.

We were initially informed by the MDBA that 60,000ML/day -80,000ML/day was the target flow at the South Australian border, but now it seems legislated Schedule 5 outcomes modelling suggests, required flow rates are 80 000 ML/day for 30 days, in the River Murray at the South Australian border. Flood flows of this magnitude would create huge social, economic and environmental impacts and should never be considered as a man-made environmental flow in light of the legislation stating there cannot be adverse third party impacts. The impacts and damage caused by the September 2016 floods that delivered 60,000ML/day to the SA border for 5 weeks is evidence that flows of 80,000ML/day should never be contemplated. The September 2016 floods caused damage worth millions of dollars.

The Productivity Commission comment on Page 133 states “.... it is uncertain if the current constraint projects are capable of facilitating the full suite of modelled environmental benefits listed under Schedule 5 of the Basin Plan, or whether those environmental benefits can be achieved in practice.”

Comment

It is our opinion that there is substantial evidence to indicate the Enhanced Environmental Objectives must be immediately reviewed by the MDBA and this review released to the public.

The experience of the 2016 September floods showed with absolute certainty that the proposed environmental benefits cannot be achieved.

Page 129 PCDR states:

“ Basin Governments have since agreed to develop additional program criteria to ensure neutral or beneficial socio-economic outcomes from on-farm infrastructure projects by the end of 2018, and to define a pathway for recovering the extra 450 GL by 2024 through development of a separate work plan (MDB Ministerial Council 2018a).”

Comment:

A letter from Victorian Water Minister Lisa Neville dated 10th September 2018 states-“ *At the Ministerial Council in June 2018 I pushed for socio-economic criteria beyond participation to apply to all additional water recovery and secured agreement that no on-farm programs would be delivered in Victoria and New South Wales under the Commonwealth’s Basin-wide expression of interest.*”

It is our opinion that the socio-economic criteria must not be the narrow ‘individual participation’ definition, but include positive productive capacity and social well being of individuals, their enterprises and communities and insure that they will not be damaged or harmed by the additional recovery of the 450GL of water and its delivery and impacts will not be detrimental or negative.

Page 129 PCDR states:

“To address the requirement for neutral or improved socioeconomic outcomes, Basin Governments commissioned independent analysis on how to design, target, and resource efficiency measure programs to recover the additional 450 GL by 30 June 2024 in ways that will ensure such outcomes. This analysis was undertaken by EY (2018).

Comment:

The terms of reference for this report were fundamentally flawed, as it asked for an inquiry into how and where the upwater could be acquired, NOT was it possible to actually achieve this water recovery without social and economic impacts. Nor did it have the ability to investigate all the issues pertaining to the 450GL, that is the constraints strategy and delivery of the 450 GL upwater

The Ernst Young report-Analysis of Efficiency Measures in the Murray Darling Basin stated:

“It is noted that concerns relating to the constraints of the river system and measures to deliver environmental outcomes are not within the projects’ Terms of Reference. However, it is recommended that work is undertaken to engage with communities on these issues to promote trust and build buy-in for the water efficiency program, with the MDBA currently undertaking a review of measures put forward by Basin jurisdictions to address constraints in the river system”.

As the recovery of the 450GL and constraints strategy are inextricably intertwined and interdependent, it is a serious shortcoming that the EY Report was unable to analyse the socio-economic impacts of these projects simultaneously.

Page 132 PCDR states:

“In addition to uncertainty about whether the proposed flow rates are sufficient, environmental water holders and river operators will face challenges in delivering high flow events. Doing so will require environmental water holders and river operators to coordinate the release of environmental water in multiple river reaches to piggyback off unregulated flow events in other river reaches (box 5.3). Operationally, building high environmental flow events — such as an

event to deliver 80 000 ML/day at the South Australian border — is a significant change from historical river management, and river operators will likely be cautious as they are legally liable for any flooding or third party impacts from the release of environmental water (James 2017).”

Comment:

Goulburn Murray Water when commenting on liability for flooding private property, in a submission to the Senate Select Committee on the MDB Plan in February 2016 stated- *“The assignment of these operational risks has not been resolved. Whilst we acknowledge that assignment of risks is subject to further work, GMW cannot accept a transfer of risk from project’s beneficiaries to GMW and its customers.”*

The Enhanced Environmental Water Delivery project or ‘piggy-backing’ is a strategy fraught with danger for all those living and working along the basin river systems and as such should be abandoned. It will lead to tragedy and disaster and the Victorian proponents of the Goulburn Constraints have recognised this, stating that in the Upper Goulburn River Catchment there will NOT be any ‘piggy-backing’ of Eildon releases on top of high natural tributary flood flows

Page 133 PCDR states:

“The MDB Ministerial Council also agreed that Basin officials would develop a work plan to provide a pathway to recovering the 450 GL by 2024 (MDB Ministerial Council 2018a).” and “fund projects to a maximum of 1.75 times the market price of recovered entitlements.”

Comment:

There has been absolutely no assessment of whether the additional water, if recovered can be delivered to the lower Murray and South Australia. And this is the elephant in the room, that the MDBA and officials refuse to consider or investigate. Paying 1.75 times the market price for water at the current market price of \$5004 for high reliability water, is a very high impost on taxpayers if that water cannot be delivered down the river systems.

For a government agency, that is the MDBA, to be involved in the process of the planning and implementation of a project involving such extremely high social and economic impacts and also putting taxpayers at risk of financial liability from ongoing litigation caused by intentional flooding of private property, it is unbelievable that there has not been a proper, detailed cost/benefit analysis, before state government and ministerial decisions are put in place, committing large amounts of tax payer funds to off-set the impacts of the Basin Plan.

Page 137 PCDR states:

DRAFT FINDING 5.1

“The current test of neutral or improved socioeconomic outcomes (based on voluntary participation in infrastructure projects) does not fully address stakeholder concerns about impacts of additional water recovery on regional communities.

However, addressing these concerns by requiring efficiency projects to have no adverse impacts is impractical, and risks ruling out projects that achieve the outcomes at least cost.”

Comment:

The Productivity Commission must recognise that the Water Amendment(Water for the Environment Special Account) Bill 2012, clearly states: *“ The Bill establishes the Account to set aside these funds to enable water to be recovered and constraints to be removed without negatively impacting on the wellbeing of communities in the Basin. That water will be recovered in a way that meets the requirements of the Basin Plan that there are no negative social or economic impacts on Basin communities.”*

I repeat “NO negative social or economic impacts on Basin communities”. This caveat is enshrined in legislation with good reason- to act as a red flag that projects cannot proceed if there are adverse impacts. The impracticality of the entire basin plan is now evident as the easy part of the plan has been achieved with the recovery of water from irrigators. The low-lying fruit has been plucked from the tree, with little or no prior, thorough investigation of just how this water or the additional water of 450GL could be delivered through the river systems and down to the South Australian border. There are now many reports on the socio-economic impacts of the Basin Plan and these must not be ignored, or the fact that with each step there are now cumulative impacts on individuals, communities and regions.

The Productivity Commission should be beholden to clearly articulate in its report, that under the basin plan legislation, if projects cannot produce neutral or positive impacts they must be ruled out or reassessed in order to comply with legislation.

Also Page 141 of the Draft Report states:“... sequencing additional water recovery with progress in easing or removing constraints (so that environmental water can be delivered at the flow rates required to achieve the enhanced environmental outcomes) and designing the program to identify and **minimise** adverse socioeconomic impacts”

Comment:

To ‘minimise’ adverse socio-economic impacts is still not compliant with the legislation.

Page 142 PCDR states Fig. 5.2

“2018 • The Murray Darling Basin Authority **should immediately update** and publish its modelling to establish the environmental benefits of additional water recovery with the current proposals for easing or removing constraints.

- DAWR should develop the requirements of no regrets water recovery to be considered by the MDB Ministerial Council.

2019 • DAWR should release a new water recovery strategy for recovering the additional 450 GL in a no regrets fashion.

- Review of the WESA (completed by 30 September 2019) should assess the Australian Government’s water recovery strategy.

2021• Constraints projects should have credible pathways for implementation.

- Review of the WESA (completed by 30 September 2021) should comprehensively review the benefits and costs of pursuing the enhanced environmental outcomes in Schedule 5.

- The Australian Government should use this information, and information on the new timelines for easing constraints, to determine how to proceed with water recovery”

Comment:

We agree entirely with the Productivity Commission report that there must be an immediate update of whether environmental objectives can be enhanced and all modelling and results transparently released to the public. In conjunction with this and at the same time, there must be an immediate cost/benefit analysis undertaken, including social, economic and environmental factors, for the constraints projects and 450GL water recovery as all three are interdependent and intertwined and one cannot be achieved without the other.

There is little point in recommending DAWR should release a new water recovery strategy for the additional 450GL if that water cannot be delivered.

Page 143 PCDR states

“Recovering the full 450 GL by 2024 prior to easing or removing constraints carries the risk of the CEWH holding water that river operators cannot deliver, or that provides no benefit to the enhanced environmental outcomes.”

Comment:

The fact that environmental water that cannot be delivered, but must be kept in storage also increases the likelihood of storages spilling in wet years, causing downstream flooding and also impacting irrigators who then lose their carryover water.

26% of northern Victorian high reliability water shares are currently held for environmental purposes, predominantly by Commonwealth agencies.

Page 143 PCDR also states:

“The exact timeframes for easing or removing constraints are likely to change over time to reflect improved understanding. DAWR should plan in advance for different constraint-easing scenarios (including that some constraints may not be able to be eased or removed) and be clear on how it will adjust its water recovery priorities in response to those changes.”

Comment:

We already have sufficient knowledge locally and through MDBA modelling, comments made by the now retired CEWH David Papps, letters from Victorian Water Minister Lisa Neville, submissions to Senate from GMW that any relaxation of constraints will cause third party impacts from flooding. AND the legislation states that there must not be adverse socio-economic impacts.

It must be acknowledged that the last minute decision made by then PM Gillard on the wharf at Goolwa, to add 450GL of water to the basin plan and include a relaxed constraints strategy was a political ploy to gain critical South Australian votes prior to the federal election, and it was a complete unknown if this water could be delivered and constraints relaxed when the actual legislation passed through Parliament.

Page 144 PCDR states:

“If the timeframe for easing or removing constraints extends beyond 2024 (as appears likely), recovering the additional 450 GL should be slowed over a similarly extended timeframe.”

Comment:

Extending the timeframe does not change the fact that the proposed flows cannot be delivered within the legislation framework.

And also Page 144

“The Basin Plan requirement for neutral or improved socioeconomic outcomes from additional water recovery is not adequate to address concerns about significant negative impacts; additional program criteria are needed. However, this should not extend to a test that requires all projects to demonstrate that there are no negative impacts — this is unworkable and will block otherwise cost-effective water recovery projects. As discussed above, socioeconomic impacts can be addressed through an approach to program design that identifies and mitigates any significant adverse impacts of recovering more water.”

Comment:

We strongly disagree. Absolutely all programs must show there are no negative impacts. That is the legislation put in place to protect the basin communities.

We agree it is critical that the basin states must define the criteria for neutral or positive socio-economic outcomes so that basin communities do not suffer further negative impacts. However, we strongly disagree that this criteria test should not require all projects to show they cause no negative impacts. On the contrary, as we have stated before, the legislation clearly states NO adverse socio-economic impacts, and if this means that the projects as the Commission report states, are “unworkable” then they should be abandoned or reconfigured so that impacts are either neutral or positive. Removing any further water from the Goulburn Murray Irrigation District will absolutely create adverse impacts by reducing the irrigation consumptive pool. In addition the now retired CEWH, David Papps has advised landholders and various Senate Committees that his office does not have the power to flood people’s private property under current legislation.

And again Page 144

“In the Commission’s view, the following are also required to ensure effective and efficient water recovery that complies with Basin Plan requirements.

□ The volume, type and location of water being recovered should clearly contribute to the enhanced environmental outcomes.”

Comment:

Victoria and NSW have stated that no on-farm programs would be delivered in Victoria and New South Wales under the Commonwealth’s Basin-wide expression of interest, therefore it will be extremely difficult to recover 450GL of high reliability water. The danger is that authorities desperate to find sufficient volumes of water through off-farm efficiency measures will resort to projects that, as the Commission report states, will not contribute to enhanced environmental outcomes due to the location, type or small amount of water available.

Page 145 PCDR Draft Recommendation 5.2 states:

“The Department of Agriculture and Water Resources should release a new strategy for recovering the additional 450 GL” and goes on to state that this should include among other factors, the following:

- range of scenarios for constraint easing or removing and costs, and evolve as new information becomes available
- progress in easing or removing constraints
- program design and implementation should explicitly consider potential socioeconomic impacts and include mitigation strategies
- prices paid for water (per ML and total expenditure) should be within predetermined benchmarks. Where they exceed this benchmark, projects should be subject to independent scrutiny and the reasons made publicly available.”

Comment:

The Department of Agriculture and Water Resources should not only release a new strategy for recovering the 450GL, but also review the cost of mitigation for constraint strategies and review the current and likely further increased cost to be paid per ML for the upwater, as it is most likely there will be insufficient funds to achieve these projects.

Page 146 PCDR states:

“The Commission has highlighted a material risk that the cost of recovering additional water may be higher than anticipated...”

The *Water Amendment (Water for the Environment Special Account) Bill 2012* provides \$1,775 million over 10 years from 2014-2015 to enable water to be recovered and constraints to be removed without negatively impacting on the wellbeing of communities in the Basin.

It is extremely doubtful that \$1.775Billion will be sufficient to cover constraints costs, mitigation compensation and also fund the purchase by means of efficiency measures, of the 450GL at 1.75 times the market value which is currently \$5004 price per megalitre. Even if some constraints projects that are deemed supply measures are funded from other sources the cost of mitigation on in excess of 3000 properties will be substantial, keeping in mind that impacts on tributaries have still not been included and these will be significant if 'piggy-backing' of water proceeds under the Enhanced Environmental Water Delivery project, as it is proposed to extend flow duration and include 2-3 peak flows in any one environmental flood flow.

To my knowledge there has not been a recent detailed cost assessment of the projects being funded under the WESA, keeping in mind that money was appropriated in 2012, prior to the constraints Business cases being written, prior to cost estimates and mitigation compensation being evaluated and prior to the MDBA or DAWR having concocted the on-farm, off-farm efficiency measures strategy by which the 450GL would be recovered through efficiency measures costing at 1.75 times the market value of water.

There will simply be insufficient money left in the \$4.9 billion pot to accomplish these projects.

And Page 146:

..." the 2021 review should comprehensively assess the benefits, costs and timelines for achieving enhanced environmental outcomes, given credible timeframes for easing or removing constraints."

Comment:

We cannot emphasise enough how critical it is that the reviews, re-assessment, analysis regarding the 450GL, constraints, efficiency measures take place now, as a matter of urgency, as by 2021 the impacts will have taken their toll if the basin plan remains on its same blinkered path, and it will be all too late for irrigation districts and communities to survive.

Page 149PCDR states:

"Given the remaining workload, there is a risk that attempting to accredit all WRPs by the 30 June 2019 deadline will compromise the quality of some WRPs by not allowing sufficient time to consider and consult on key issues with affected stakeholders. This may reduce the effectiveness of WRPs in implementing the SDLs and key elements of the Basin Plan such as extreme events."

Comment:

The delay by states in proceeding with Water Resource Plans within the set timeframe simply highlights the unrealistic time framework for the whole Basin Plan, where the MDBA continue to force basin states to attempt to complete projects, such as the constraints strategy projects, when in reality they are not feasible, viable or achievable and the basin states, such as Victoria and NSW know this.

Page 151 PCDR states:

"The Cap was introduced in 1995 by the Murray–Darling Basin Ministerial Council to 'protect and enhance the riverine environment and protect the rights of water users'"

Comment:

The rights of water users are being continually eroded.

Water savings that are illusory are being taken, reducing water available to irrigators, reducing the irrigation consumptive pool and so eroding entitlements.

Water has been traded away out of the irrigation districts such as GMID. Over 40% of meters in the GMID are not being used or delivering less than 10ML so we ask how are the same savings being taken each and every year. Irrigators are told that these savings are calculated over a 99 year average, however the

water available to be delivered by gravity irrigation in the GMID has constantly been reducing to where we now believe it stands at less than 900GL and as most experienced irrigators and bureaucrats will tell you the GMW is on the very brink of collapse.

Page 157 PCDR states:

“There has been a reluctance by some states to engage fully in the WRP process and its requirements.”
And Page 158

The MDBA “has also made efforts to speed up the accreditation process by developing an assessment template to help streamline the development of WRPs and publishing position statements on how they interpret requirements and what they expect from Basin States to meet them.”

Comment:

The provision of templates to the basin states seems to simply be an easy way of quickly acquiring the answers the MDBA wants so that the project can proceed regardless of the implications that hasty, poor quality decisions may have down the track.

Page 183 PCDR states:

–“ an objective for salt export of two million tonnes per year from the Basin into the Southern Ocean”

Comment:

This objective is aspirational as the Productivity Commission report has stated. The Chair of the MDBA conceded on an ABC radio interview that they over-estimated the salt load and 1million tonnes was more like the figure that needed to be exported

Page 184 PCDR

The Basin Plan is an evolution in Water Quality Management

Comment:

All we can say is those of us who live and work along the rivers and tributaries in the Basin, know that there have been many more blackwater events since environmental flows have increased. As the MDBA does not seem to acknowledge or publish any reports on damage or detrimental impacts caused by environmental flows, the public in general are uninformed whether the so-called evolution in water quality management is actually heading in the right direction.

Page 205 Water Trading Rules

PDRC states: “The Basin Plan trading rules have contributed to more efficient water markets by introducing new requirements to improve market information and promote confidence in the market, and by providing a mechanism to validate or remove restrictions on trade.”

Comment:

Irrigators now operating in an open water market have little confidence in trading rules which simply cut them out of the market as prices during dry periods constantly escalate, when their enterprise needs price stability to be able to forward plan in order to survive. The proponents of the Basin Plan have totally misunderstood farmers and irrigators water needs, how the irrigation system works and in opening the market up to the highest bidder have pulled the rug from under their feet, so that they are now unable to access one of the primary resources necessary for their business to survive..

“Reduced future water availability and more demand means we can expect increased competition in the water market and higher prices.”(GMW 2018)

And also Page 205

“Basin States should not let their collective responsibility for market oversight fall by the wayside. Basin Governments should monitor and respond to risks associated with changes in trade patterns, water use and pressures on delivery capacity.”

Comment:

The Victorian and NSW Governments have monitored and responded to risks associated with changes in trade patterns, water use and delivery capacity by stating that they will not allow the 450 GL to be recovered via on-farm efficiency measures.

“Victoria is currently working with the MDBA and other states to review trading rules in northern Victoria to balance the protection of existing entitlement holders and the environment while maximising trading opportunities.”

Page 206 PCDR states:

“The Basin Plan contains objectives for water trading such as facilitating the operation of efficient water markets, protecting the needs of the environment, providing appropriate protection to third parties¹⁰⁵.

Footnote-105 An example of a third party effect is transmission loss through evaporation or seepage that may be incurred by other water holders as a result of trade. An example of an effect on the environment from trade is channel erosion due to changes in patterns or volumes of water delivered.”

Comments:

We are currently seeing an example as described in Footnote 105, with increased water trade downstream of Nyah in the Murray River to the rapidly expanding horticultural plantations. The increased water demand from permanent plantings with expanding irrigation development is expected to increase demand by 400,000ML as crops mature over the next 5 to 10 years. This is causing increased conveyance and evaporation loss due to increased distance from the water storages and is ironically transferring losses to a hotter, drier, more arid region when the initial basis of the modernisation of the Goulburn Murray Irrigation District was to save water losses. The difficulties in delivering larger volumes of water a greater distance within the river channel has already been acknowledged by GMW, with channel and riverbank erosion already being seen, as in the reduction in capacity at the Barmah Choke. “Erosion along the choke has cut back the channel capacity at YarrawongA to 9,500 ML/day from 1100ML/day 10 years ago, and locals maintain the Barmah Choke channel capacity is now 8,500ML/day due to bank collapses. This continued pattern of change in water trade and greatly increased volume stands to increase erosion and damage particularly to the Goulburn and Murray Rivers..

“Recent growth in permanent plantings (horticulture) has concentrated irrigation demand into the summer months and shifted water use further away from the major dams.”(GMW 2018)

Ironically the original intent under the Basin Plan was to reduce flows during summer as much as possible so that the river returned to some semblance of its natural state with lower flows in summer due to reduction of the irrigation footprint and more efficient irrigation methods, and with higher flows in winter created by environmental flows. Now we are seeing a scenario where there are higher channel flows both in summer and winter, which obviously is impacting on the bed and banks of the river systems.

Page 214 PCDR states:

“Market information and market confidence have improved as a result of the Plan”

Comment:

The average irrigator is totally in the dark regarding the many changes to market rules and are confused as to how the market works. The basin communities in general have little confidence in the integrity and stability of the market.

Page 218 PCDR states:

“There are signs that the environment is responding positively to environmental watering activities with some evidence of improved ecological outcomes at the local and system scale.”

Comment:

However, we never see any acknowledgement by the MDBA that there is also evidence that environmental watering activities are causing detrimental impacts, such as bank erosion, collapse of banks, mature trees falling into river channels, sedimentation, increase in carp population, scouring of river banks.

Page 220 PCDR states:

“..supplementing this in a number of systems with held environmental water — which involves acquiring water entitlements (with the same conditions and legal properties as those held by consumptive users) that can be actively managed to achieve environmental outcomes.”

Comment:

This implies that those holding environmental water entitlements and irrigators have the same conditions and legal properties, and environmental water holders like to continually emphasise that their entitlements are treated exactly the same as irrigators entitlements. This is incorrect. Irrigators have a completely different charge regime for their water compared to the environment. The economic situation is completely different in that the irrigator may buy water, then carry-over that water, but if the storage spills they lose large amounts of water and money, whilst the environment gets a free kick with water that has spilled. The environmental water holder only pays headworks charges, while irrigators have been left with a whole raft of fixed charges when their water was recovered via efficiency measures.

Page 224 PCDR states:

“PPMs were assumed in the original modelling to establish the SDLs well as in the model used to determine the environmental equivalence of supply measures. If PPMs are not implemented, overall water recovery would need to rise considerably when reconciliation of the total water recover.”

Comment:

It is extremely unrealistic to assume that Enhanced Environmental Water Delivery (EEWD) can be achieved prior to having any idea whether a relaxed constraints scenario can be accomplished, but regardless model and establish the SDL's and environmental equivalence outcomes of supply measures with the basic assumption that constraints and EEWD would be achieved. Talk about on a wing and a prayer!!!! One must laugh at the stupidity and entirely unscientific modelling method, for if we didn't laugh we would cry in despair.

Page 225-226 PCDR states:

Pre-requisite policy measures

“New South Wales, South Australia and Victoria have submitted their plans for implementing PPMs and these have all been approved by the MDBA. These States have all conducted PPM pilot projects and trials in the southern Basin. However some of these arrangements are yet to be formalised, and a number of PPM implementation issues remain unresolved, primarily in New South Wales. A number of participants¹¹⁴ raised concerns around the likelihood of PPMs being implemented on time. These related to:

- the apparent lack of progress in conducting the hydrological modelling required to understand the magnitude of potential third party impacts of PPMs and the drafting of new rules required to implement PPMs¹¹⁵
- the lack of public consultation¹¹⁶ needed to gain local insights, test the complex proposed rule changes with those who will be affected, and promote community confidence that PPMs will result in no adverse impacts on third parties
- the lack of transparency¹¹⁷ and independent public assessment of PPM implementation
- risks that PPMs will negatively impact existing water users¹¹⁸ by restricting their ability to extract water, thereby reducing the value of water entitlements.”

Comment:

We fail to understand how Victoria has submitted satisfactory plans for EEWD, which includes the Upper Goulburn River catchment, and these have been approved by the MDBA, when there has been no public consultation on this issue, there is a paucity of streamflow gauges in the upper catchment to enable accurate modelling both within the catchment and between river

systems. There is also a glaring lack of operational tools necessary for river operators to co-ordinate and attempt to coincide flows.

Page 231 PCDR states:

”LTWPs may be too aspirational, and are seen as a ‘shopping list’ of environmental actions that give no consideration to matching demands with the likely supply of environmental water. The content of LTWPs varies significantly between Basin States, with some setting targets that are highly ambitious and only achievable under highly favourable circumstances, such as with the removal of all constraints and under favourable natural conditions. The Commission heard concerns regarding the feasibility of some targets within South Australia’s LTWPs, and in particular flow-rate targets for the Murray Mouth. ”

Comment:

We agree with all of the above, particularly regarding the feasibility of achieving ‘relaxation’ or removal of constraints and consequently the inability to deliver flow rates of the magnitude to keep the Murray Mouth open 95% of time.

Page 245 PCDR states:

“ Basin Governments should work with Standards Australia to revise metering standards to ensure quality and cost effectiveness in water measurement.”

Comment:

Although this Key Points statement seems to refer to compliance and Northern Basin metering, the Productivity Commission should apply this statement to irrigation districts throughout the basin as the Commission “ is to report on the matter of effectiveness of the implementation of the Basin Plan.”

Page 252 PCDR states:

“In effect, the MDBA is regulating itself. For example, the MDBA designed and developed the business case for the Hydro-cues supply measure project on behalf of the Basin Officials Committee. The MDBA was then responsible for assessing this project’s contribution as part of the suite of supply measures and determining proposed SDL adjustments. In the next stage of implementation the MDBA will provide technical support to Basin States to implement key supply measure projects and will also be responsible for conducting SDL reconciliation.”

Comment:

Below are excerpts from the EEWD or Hydro-Cues Business Case prepared and submitted by the MDBA on behalf of Victoria, NSW and South Australia. At no stage has the Upper Goulburn River Catchment community had any input into this Business Case, despite the fact that it proposes to increase the peak and duration of flows mainly in moderate to wet years in order to re-instate floodplain flows.

The Victorian Government has already made it very clear that it will not intentionally flood private property without the consent of landholders and that all environmental flows will remain within channel capacity.

No wonder landowners and communities along the river systems have little trust in the MDBA and are confused at exactly what will be the flooding ramifications on their properties.

The MDBA are putting pressure on Basin States to submit to higher flood flows that the Victorian Water Minister, Lisa Neville, has very publicly rejected. Who exactly do we believe, considering that the MDBA have been charged by the Federal Government with the responsibility of ‘enforcing’ the Basin Plan?

Page 1 of Enhanced Environmental Water Delivery Business Case

Drafted by the MDBA on behalf of the governments of Victoria, New South Wales and South Australia
This preliminary Business Case was used to inform decision-making by the MDB Ministerial Council and Basin Officials Committee on SDL Adjustment Mechanism projects.

“ In the context of this business case, a "hydrological cues delivery strategy" is defined as the ability for river operators, at the request of environmental water holders, to make regulated releases from storages to coincide with unregulated flows caused by rainfall. This is a structured approach for initiating managed environmental water releases from storages to increase the peak and/or duration of a flow event, and so reinstate some of the freshes, inner-floodplain flows, connectivity and end of system flows that have been intercepted and stored by dams. This type of managed watering would mainly occur in moderate to wet years to achieve environmental objectives, but could occur in any year if the hydrological conditions exist.”

AND

“Held water entitlements are unlikely to be large enough to deliver a range of fresh and over-bank flows solely from storage. Thus the focus of this proposal is on how to increase the efficiency and timing of delivering environmental water by:

- ☐ topping up unregulated flow events (‘piggybacking’ on hydrologic cues)
- ☐ best using the available channel capacity (assuming a level of relaxed constraints)
- ☐ coordinating flows across tributaries

Page 255 PCDR states:

“in Victoria, the review examined compliance within Goulburn Murray Water, the largest water authority in the Basin in Victoria. It reported that remote sensor meters efficiently provide accurate, real-time data on take. As a networked system, the interdependence of irrigators yields a culture of compliance. The specific issue to be addressed in Victoria is the lack of a full suite of penalties and sanctions”

Comment:

The highlighted sentence is inaccurate. Millions of dollars have been invested in replacing Dethridge wheels, which irrigators were told was a necessity as they were not compliant with Australian standards. Increasing numbers of the new remote sensor meters in the GMID are inaccurate or not working efficiently. Irrigators have consistently asked GMW if the meters are being independently tested and showing to be compliant, but they never receive an answer. Irrigators pay a tariff to GMW to have their meters regularly tested, however when Dethridge Wheels were still in place, meters in the Loddon Valley were not tested for 17 years.

Irrigators in the GMID, as the Productivity Commission reports have a ‘culture of compliance’. It is GMW, that seems incapable of supplying and maintaining meters that are compliant with the statement on Page 259: “when an existing meter no longer meets +/- 5 per cent accuracy in the field it must be repaired and validated so that it is accurate to within +/- 5 per cent in the field, or replaced.”

The replacement of Dethridge wheels with new automated meters in modernisation and connections program in the Goulburn Murray Irrigation District was undertaken, we were told, as the old wheels were inaccurate and water could be saved by replacing them.

However a growing number of the new replacement meters are proving to be faulty, very inaccurate or not working at all. How then are savings still being made against these meters? On top of this 40% of meters in the GMID are not being used or using less than 10ML.

It is very obvious from the articles below that many meters do not comply with metering standards as set by Standards Australia.

Please see links to articles in Stock and Land 4th October 2018 exposing the non-compliance of meters in the modernisation and connection programs in the GMID.

Irrigators Question Meter Accuracy

<https://www.stockandland.com.au/story/5677829/irrigators-question-meter-accuracy/?cs=4608>

Supplier agrees to replace Blademeters under Warranty

<https://www.stockandland.com.au/story/5681360/rubicon-gmw-move-to-fix-metering-problems/?cs=4608>

Frustration over Water Woes coming to a Head

<https://www.stockandland.com.au/story/5676589/frustration-over-water-woes-are-coming-to-a-head/?cs=4608>

Page 265 PCDR states:

“Effective reporting, monitoring and evaluation is critical to the successful implementation of the Basin Plan.

Monitoring and evaluation allows the outcomes of the Plan to be measured. This is required for informed judgements about whether the Plan is effectively and efficiently meeting its objectives. It also allows for judgements about whether the significant investment has been worthwhile and whether there is more that needs to be done.”:

Comment:

Many people throughout the southern basin have continually commented that the MDBA are failing to evaluate the detrimental environmental impacts caused by the Basin Plan. There has not been one document that we have seen that has comprehensively reported on damaging impacts created by environmental flows. Are they only monitoring the benefits and deliberately turning a blind eye to negative impacts? How then, can the effectiveness of the Basin Plan be evaluated?

Page 268 PCDR states:

“Annual reporting requirements predominately relate to the implementation of, administration of, and compliance with, different elements of the Plan.

Annual reporting began in 2013-14. However, the first tranche of five-yearly reporting is not scheduled to occur until 2020. The information from this reporting should provide a valuable source of evidence for the MDBA’s evaluation of the effectiveness of the Plan also scheduled to be completed in the same year.”

Comment:

As stated previously, the MDBA have an obligation to update and report annually on the Constraints Management Strategy, but the CMS 2016 annual report has only just appeared on the MDBA website and there is no sign of the 2017 report.

Page 277 – 278 PCDR states:

“A lack of a clear framework outlining how the Plan will be evaluated carries a number of risks. These include:

- a lack of alignment across monitoring programs, leading to information gaps that can hinder the evaluations of the Plan scheduled to occur in 2020 and 2025 and the wider review of the Plan to occur in 2026.
- a confused message on the outcomes and effectiveness of the Plan because there is no unifying framework to present individual or localised findings in the context of the Plan as a whole.”

Comment:

We agree

Page 280 PCDR states:

“There is also a lack of a clear and publicly released strategy (agreed to by all Basin Governments) to coordinate monitoring in the Basin across the range of parties who have responsibility for undertaking it.”

Comment:

We totally agree. There is general distrust of the MDBA and bureaucracy who are implementing the Basin Plan due to failure to release documents which may show the Plan in a negative light, for example annual constraints reports, metering compliance documents.

Page 277 PCDR states: Reporting, Monitoring and Evaluation

“a confused message on the outcomes and effectiveness of the Plan because there is no unifying framework to present individual or localised findings in the context of the Plan as a whole.”

Comment:

We hear local evidence from people in the basin that the Barmah- Millewa Forest has seen a carp explosion with increased environmental flows and that the Koondrook-Perricoota Forest through massive installed infrastructure has had large volumes of water directed into it, but authorities had not foreseen that the water could not then escape. Goolwa residents have continually stated that the proposed large flows to South Australia will not achieve an open Murray Mouth 95% of time without the need for dredging, due to the very strong winds that blow in from the Southern Ocean, continually depositing more sand.

This local evidence is never given credence by appearing in any published monitoring report.

Page 280 PCDR states:

“The primary objective of the framework should be to ensure there is a clear basis for evaluating the Plan in 2020 and 2025, and that these evaluations will be a useful source of evidence for reviewing the Plan in 2026.”

Comment:

There must be a clear basis for evaluation right now with a comprehensive review. By even 2020 and most certainly by 2025 the damage that the Basin Plan is creating will be so overwhelming, that communities will have been destroyed by loss of water out of their regions creating the domino effect of job and industry losses, school closures, loss of service industries etc. We are already seeing this and if the 450GL on-farm water recovery proceeds in conjunction with the damaging impacts of ‘relaxed’ constraints there will be major social and economic upheaval in country regions in the southern basin.

There have already been too many unanticipated outcomes that have resulted from the implementation of the Basin Plan. The loss of thousands of jobs - particularly connected to irrigated agriculture. The MDBA prefers to ‘nit-pick’ and undertake studies that conclude the Basin Plan has only

been partially responsible for these impacts. It is simply not plausible to isolate causes which tend to be cumulative and maintain that the Basin Plan cannot be entirely blamed. Drought, the buy-back of water, free trade in the market, forever and permanently changed by the Basin Plan, so that irrigators in core essential industries such as dairying can no longer afford to purchase essential water, are all cumulative effects, that once a certain level is reached, industries and communities begin to collapse. That is what we are seeing right here and now.

Page 281 PCDR states: Reporting , Monitoring, Evaluation

“The framework should recognise that the most meaningful insights on the effectiveness of the Plan — for both Basin communities and water managers and policymakers — often come from examining outcomes at relatively localised scales. As such, the framework questions should place due emphasis on evaluating the local and regional outcomes of the Plan, while maintaining the flexibility to synthesise or supplement these to evaluate outcomes for the Basin as a whole.”

The Ernst Young Report January 2017 clearly shows that unfortunately there is a complete disconnect between what regional basin communities view as being important and essentially needing to be analysed and evaluated.

The purpose of the EY report was *“To provide advice to the Murray-Darling Basin Ministerial Council on the recovery of 450GL in additional environmental water through efficiency measures, with neutral or beneficial socio-economic outcomes, to enhance the environmental outcomes that can be achieved by the Basin Plan, consistent with the Basin Plan, Part 2AA of the Water Act (2007) (the Act), and the terms of the 2013 Intergovernmental Agreement on Implementing Water Reform in the Murray-Darling Basin.”*

However the terms of reference meant that there would only be an independent analysis of efficiency measures, when the Goulburn basin community had requested that constraints measures also be investigated, as both projects are totally interdependent, both will create negative socio-economic impacts and enhanced environmental outcomes cannot be achieved without ‘relaxation’ of constraints. Needless to say, no investigation of constraints was undertaken, thus ignoring local community needs.

Page 284 PCDR states:

“planning for the 2026 review needs to commence now, in part to avoid a last minute ‘scramble’ for necessary information that may require significant time and rigour to collect and analyse. The Commission considers that implementing a revised evaluation framework (draft recommendation 13.2) is the first step in this planning process.”

Comment:

We agree that a review should commence immediately -2026 will be all too late, and continually updated and released to the public on a constant and continuing basis. .

Page 285 PCDR states:

“Key deficiencies in institutional arrangements have led to a lack of transparency and accountability, and ineffective processes for intergovernmental collaboration. **Key risks have not been managed, timelines have slipped and implementation has been managed through last minute negotiations as a crisis emerges or a deadline looms.**

Stakeholders are frustrated by the efforts made to engage them due to a perceived lack of responsiveness — they do not feel heard. Much of the community dissatisfaction is driven by the way Governments have sought to negotiate and navigate their way through issues.”

Comment:

The point is that ‘key risks’ have not been recognised as simply not do-able, leading to inability to progress projects, such as the Goulburn Constraints which is now 3 years behind schedule. The MDBA refuses to acknowledge that projects such as constraints are not acceptable to landowners who have stated they will not negotiate easements, meaning that private property cannot be flooded and

constraints 'relaxed'. The MDBA simply has the blinkers on and continues to pressure basin states to push on with projects that cannot be achieved. Which leads to the situation as stated by the report on Page 293- "Basin Governments have managed implementation through last minute negotiations as a crisis emerges or a deadline looms."

This appears to be caused by the MDBA putting pressure on basin states to meet deadlines when they have neither the time, necessary available data, technical expertise or co-operation of landowners who disagree with basin policies.

We are utterly sick and tired of hearing from the MDBA that the Basin Plan will be delivered "on time and in full", when it is very obvious that some projects such as constraints cannot be achieved and certainly not within the proposed timeframe of 2024.

Page 300 PCDR states:

"With the settings now largely settled, Basin Governments should commit to implementing the agreed Plan."

Comment:

On the contrary, Victoria and NSW have not agreed to 450GL being recovered from on-farm efficiency measures and should not commit to its recovery due to the severe negative socio-economic impacts this project would have on irrigation districts and subsequently basin communities .

"We consider that further water recovery by purchase of entitlements or proposed EMP measures to recover 100% of water savings are detrimental to the communities and economy of Northern Victoria and should not proceed." (MDB Plan GMW submission Senate Inquiry 2nd Feb 2016).

CONCLUSION

We congratulate the Productivity Commission on their draft report which has finally brought to light many of the problems inherent in the Basin Plan, which communities have for years been attempting to make public and make the MDBA take note and review their policies.

The MDBA and Commonwealth , due to lack of local knowledge regarding river flows, absence of in-depth prior investigation of the ability to recover an additional 450GL and deliver it as man-made flood flows opened a Pandora's Box with their attempted implementation of the delivery of environmental water via a Constraints Strategy, whereby the process once begun has generated a plethora of complicated problems that they did not foresee.

Their aspirational enhanced environmental objectives to be achieved by the delivery of 80,000ML/day to the SA border for a period of 5 weeks are simply unachievable, as to deliver man-made flood flows of this magnitude is impossible without flooding thousands of private properties, roads, public and shire infrastructure. Thousands of hectares of prime productive land would be destroyed from more frequent floods of longer duration.

The number of landholders affected would be well in excess of 3,000 as properties along the many tributaries will also be affected due to the extended duration of proposed flows.

In the Hume-Yarrawonga constraints reach alone there are 300 plus bridges and causeways on private land that will be inundated with flows above 25,000ML/day.

The proposed flow of 40,000ML/day would render useless thousands of hectares due to inundation and inability to access property.

Landowners will not allow valuable riparian land to be frequently flooded. Mitigation compensation of one-off, up front payment is farcical for flooding in perpetuity and will not be considered.

An immediate review and cost/ benefit analysis is required of the 450 GL recovery and Constraints Strategy, the ability to deliver the additional water downstream to South Australia, the feasibility of enhanced environmental outcomes and the Environmental Enhanced Water Delivery project due to its extremely dangerous implications.

It is inconceivable that a project of this magnitude with a budget of \$13 billion plus, which involves the security of the nation's food bowl and that of its people has been allowed to progress to this stage without producing an extensive and detailed cost/benefit analysis which quantifies the environmental, private and public benefits against the environmental, social and economic costs. This should require an analysis of the financial investment and actual ability to deliver the additional water.

END OF SUBMISSION

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