

SB181010

10/10/2018



## **Victorian Farmers Federation Submission**

### **Productivity Commission Inquiry – Murray-Darling Basin Plan: Five-year assessment**

The Victorian Farmers Federation (VFF) would firstly like to thank the Productivity Commission for the frank assessment of the Murray-Darling Basin Plan.

This submission is to support the National Farmers Federation (NFF) submission while highlighting the particular findings and recommendations important to Victorian Farmers.

The VFF welcomes the finding that the risk of not meeting the SDL target by 1<sup>st</sup> of July 2019 is low. We also agree with the Productivity Commission that the current socioeconomic test is not satisfactory and that more work needs to be done to address stakeholder concerns, particularly on the post-farm gate and cumulative impacts of water recovery.

We would disagree that allowing for projects with adverse socioeconomic outcomes due to cost considerations is acceptable. A potential revision would be for projects to require net neutral or positive outcomes. A single adverse outcome shouldn't halt a project if overall the project benefits the local community, but a project that overall disadvantages a community is unacceptable.

Extending the deadlines for Water Resource Plans and any projects should be undertaken with caution. Certainly the current deadlines are short in terms of undertaking generational change in governance of the Murray- Darling Basin however the sooner these projects and plans are in place the sooner certainty returns to the basin, which is of benefit to both farmers and the Environmental Water Holders. The framework set out by the Productivity Commission represents a workable compromise if extensions are needed.

Of the draft recommendations the VFF strongly supports the following:

- 3.2 The Department of Agriculture and Water Resources should ensure that water recovery aligns with environmental requirements and its processes for doing this are transparent. To ensure accountability, it should publish all advice provided by the Commonwealth Environmental Water Holder (including advice on strategic purchases) once transactions are complete.
- 4.1 Basin Governments must resolve governance and funding issues for supply measures. They should develop an integrated plan for delivering supply projects to improve understanding and management of interdependencies within the package of supply projects within 12 months.
- 5.1 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.

- 10.3 Basin Governments should set and publish a work plan within the next 12 months that describes how delivery capacity and constraint issues associated with changes in water use and trade will be investigated and managed. The work plan should specify responsibilities, timeframes and how this information will be communicated to the water market.
- Basin Governments should assign the Murray Darling Basin Authority (as an agent of governments) responsibility for identifying and managing risks related to changes in water use and trade in connected systems.
- 11.7 Basin States should manage the risks to achieving the environmental watering objectives set out in long term watering plans by delivering complementary waterway and natural resource management measures (such as habitat restoration or weed and pest control).
- 14.2 Basin Governments should agree to the restructure of the Murray Darling Basin Authority to separate its service delivery and regulatory functions into two institutions. The Australian Government should then embark on the necessary institutional reforms to establish the:
  - Murray-Darling Basin Corporation — as the agent of Basin Governments
  - Basin Plan Regulator — an independent Commonwealth Statutory Authority.
 These institutional reforms should be in place by 2021.

We look forward to the final report. If there are any questions regarding our submission please contact our office on 1300 882 833.

Kind Regards,

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President

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