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NEW SOUTH WALES
IRRIGATORS'
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NSWIC Submission

On the Productivity Commission Draft Report on the Murray Darling Basin Plan: Five Year Assessment

Introduction

New South Wales Irrigators Council (NSWIC) is the peak irrigation sector body in NSW, representing over 12,000 water access licence holders across the State. Its 26 Member organisations include commodity groups in the cotton, rice, dairy and horticulture sectors, NSW Farmers Association, regional irrigator bodies, and irrigation corporations.

As NSWIC has previously lodged a submission to the Productivity Commission's Murray Darling Basin Plan: Five Year Assessment, this submission will focus only on the Draft Commission Report key findings and recommendations.

NSWIC welcomes the opportunity to provide this submission and welcomes the Commission's draft findings and recommendations.

Progress with Water Resource Plans

NSWIC concurs that the development and accreditation of Water Resource Plans (WRP) in NSW has lagged significantly, and until recently there was the very real likelihood that the process of finalisation of Plans for NSW valleys within the Basin would not be able to be concluded successfully before the final deadline of June 30, 2019. While there appears to more confidence recently within the NSW Department of Industry – Water and the MDBA that the 22 NSW WRPs will be finalised in time for accreditation at or very near to deadline, NSWIC remains deeply concerned that the Plans will not fully reflect the large number of issues raised about their equity and workability in relation to the water rights of irrigators; principally because the substantive concerns raised by irrigator representatives on the NSW Stakeholder Advisory Panels have not led to any material changes in the draft Plans.

NSWIC believes that the tight timeframes, combined with a successive change to the management of water administration in NSW over the last four years has led to a severe shortage in planner resources in the responsible NSW agencies, will – in effect – see the existing NSW Water Sharing Plan component of the new WRPs rolled over without any significant adjustments reflected in the final WRPs. This means the substantive basis of the NSW WRPs will be Water Sharing Plans that have remained completely or largely unchanged for over 14 years without adequate review. It is now apparent that the finalisation processes for WRPs in NSW are now more about expediency in meeting the deadline in 2019 than getting fair and workable Plans accredited. It is apparent in hindsight that the Basin Plan deadlines for WRP development and accreditation are overly ambitious and an extension of the deadline is warranted.

In keeping with the concern raised by the Commission regarding the need to extend the WRP deadline if there is a threat to the quality of the Plans, NSWIC absolutely supports an extension of the deadline for a number of NSW WRPs where there is a material risk to the quality of those Plans – including the Plans covering the Lachlan, Namoi, Murrumbidgee and Murray - Lower Darling.

Revised Basin Plan Evaluation Framework

While significant funding and effort has been invested in implementation of the Basin Plan, NSWIC has long highlighted the relative lack of investment in monitoring and evaluation of the impacts of

the Plan and the level to which the Plan is meeting its environmental objectives. In our view this lack of an adequate evaluation framework, has in part led to public criticism that the Plan is failing to achieve improvements in the ecological health of the Basin rivers and wetlands.

Without significant investment by Basin Governments and the MDBA in a comprehensive Plan Evaluation Framework it is very difficult to see how it can be adequately assessed for progress in 2020 and 2025 and fully reviewed in 2026.

NSWIC concurs with the Commission's view that greater investment in monitoring and evaluation of the Plan impacts is urgently warranted, to ensure that the Plan is achieving its objectives; that the huge investment in its implementation is delivering value for money to the Australian community through environmental gains; and that the impact on Basin communities is justified.

Sustainable Diversion Limit Adjustment & Constraints Easing Projects

NSWIC concurs with the view expressed by the Commission that the timelines for the successful commissioning of a number of large Sustainable Diversion Limit Adjustment Mechanism (SDLAM) and Constraints projects are ambitious, and these timeframes and the complexity of some projects hold inherent risks that they may not be able to be fully commissioned or evaluated by the 2024 Basin Plan deadline. The strong inter-relationship between the easing of flow constraints in the Southern Basin to allow the achievement of the full SDL adjustments further elevates the risks associated with what NSWIC increasingly sees as overly ambitious deadlines in commissioning very complex infrastructure builds and implementing significant changes to the rules governing river operations.

The apparent lack of progress to date in the planning processes and community consultation around the two largest SDLAM and Constraints projects – the Menindee Project and the Hydrological Cues / Increased Murray Flows Project highlights how much needs to be done in a relatively short timeframe. We note that the NSW Government has previously indicated that the Menindee Project will, in all likelihood, not be fully commissioned until 2024 – immediately before the final Plan implementation deadline and may then not be able to be fully evaluated for some time after 2024.

To the extent that the success of the Basin Plan relies on the successful implementation of these 'big ticket' projects, the risks associated with the current hard-wired deadline are significant. NSWIC has long warned that the timeframes originally legislated for the Plan's implementation are not realistic - given the huge level of complexity now clearly evident in planning, building, operating and successfully managing such large infrastructure projects and changes in river operational rules that will impact on multiple Basin jurisdictions. Taking the relaxation of constraints in the Murrumbidgee and Murray as an example, community consultation has not yet commenced, and like the details of the Menindee SDLAM Project, the proposals are conceptual and there has been little or no transparency on the detail of the proposed projects – despite the Basin Governments agreement to proceed with 35 projects and the MDBA signing off on them as feasible last year.

NSWIC supports the Commission's recommendation for an extension of the deadline for the delivery of the Sustainable Diversion Limit Adjustment Projects and the initiatives designed to ease constraints to higher flows.

NSWIC also wishes to make specific comments regarding the Commission's recommendation on aligning additional water recovery with progress in easing constraints and the implementation of strategies to mitigate socio economic impacts.

We express our concern that in line with the views stated above, the focus of Plan so far has largely been on water recovery but until recently little has been done to assess the socio-economic impacts of Basin Plan implementation. The MDBA assessments of socio-economic impacts in the Northern Basin under its Northern Basin Review and more recently the parallel and ongoing review of impacts in the Southern Basin have clearly established that a number of Basin communities have been very heavily impacted by water recovery in their regions. However, despite this there appears to be no cogent strategy in place to mitigate the impacts on communities so far. In fact, the very early attempts to do so resulted in cases of poorly focused early investment in measures purported to offset negative community impacts, but which have had no lasting impact in doing so.

This is – as the Commission has identified - extremely important in the context of the future delivery of measures designed to ease flow constraints in river systems in the Southern Basin, which will have direct impact on communities and landholders in floodplain areas. While there has been some discussion by Basin Governments that a suite of measures to mitigate the impacts of increased flows at or above minor flood level will be necessary, there is absolutely no clarity around how easements will be negotiated and flood mitigation infrastructure prioritised and built.

NSWIC welcomes the Commission’s recommendation that additional water recovery programs be aligned with progress on the easing of flow constraints, but only once appropriate strategies to mitigate the socio-economic impacts are in place.

Further, NSWIC is concerned that the Commonwealth has commenced recovery programs towards achievement of the 450 GL of additional water for the environment known commonly as the ‘Up Water’ in three Basin jurisdictions before agreement has been reached between Basin Governments on a definition of ‘neutral’ socio economic impacts as they pertain to Basin communities more broadly – and which is specified as a proviso to recovery of this additional water under the Water Act 2007. NSWIC has welcomed the stand of the NSW and Victorian Governments that further on-farm water recovery towards the ‘Up Water’ target will not be undertaken in these States until an acceptable revised definition of impact neutrality is in place.

The Council makes the point that once again a major water recovery program has commenced before a strategy is in place to adequately assess its socio economic impact on Basin communities and implement appropriate measures to mitigate those impacts as much as possible. This is yet another example of why it is appropriate for the current deadlines in the Basin Plan be extended.

Institutional & Governance Agreements

NSWIC contends that there have been significant underlying tensions between Basin jurisdictions and between the Basin Governments and the MDBA, which is why there has been apparent reluctance to fully commit to Basin Plan implementation by a number of Basin States, including NSW. Much of the underlying mechanics and science of the Basin Plan as established by the MDBA has been contested by Basin Governments – resulting in a reliance on the Ministerial Council to make the decisions that have allowed the Plan components and implementation to be moved forward.

For example, while NSW signed the Inter-Governmental Agreement – effectively agreeing to work to implement the Basin Plan – the significant differences between how NSW DPI Water and subsequently NSW Department of Industry Water have interpreted how the Plan components should

be designed and implemented has often differed significantly from the views of the MDBA. This lack of agreement and certainty between Governments and agencies has been a brake on progress and achieving a shared understanding on the Plan. However, as Plan deadlines loom there has been greater impetus to achieve real progress, which has seen greater involvement of State agencies than at the commencement of the Plan's implementation.

That said, NSWIC fully understands the reluctance of the NSW and Victorian Governments to commit to measures which could have significant negative impacts on regional communities without greater certainty around Plan impacts. This is why it has often appeared that the States have left the Plan implementation tasks to the MDBA, when in reality the detail of Plan components was not settled and agreed between the parties.

NSWIC agrees with the Commission that the implementation process and mitigation of risks might be moved forward more rapidly if the Basin Officials Committee took a greater strategic management role, but we caution that this should not be at the cost of transparency and consultation with Basin communities regarding the substantive detail of Plan components and risks associated with project implementation.

Murray Darling Basin Authority

The position of NSWIC on the functions of the MDBA has been unequivocal – that it is inappropriate to be both the Basin Plan designer and principal implementation agency, but also the regulator of the Basin Plan. As the Commission has identified, there is an inherent conflict in what irrigators have termed “the MDBA marking its own homework”. Therefore, the Council supports the recommendation of the Commission to separate the two functions.

NSWIC supports the Commission recommendation that the Basin Plan implementation and regulation functions be split but cautions that the Federal Government proceed to implement this recommendation for a Murray Darling Basin Corporation and separate Basin Plan Regulator in such a way that the ongoing implementation of the Plan will not be significantly impeded by the new administrative arrangements.

For Further Information on this Submission:

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