

Proposed Amendments to Murray-Darling Basin Plan 2012

Submission to Murray-Darling Basin Authority

170223

Introduction

The NSW Irrigators' Council (NSWIC) represents irrigators and the irrigation industry in NSW who access regulated, unregulated and groundwater systems. NSWIC members include valley water user associations, food and fibre producers, irrigation infrastructure operators and commodity groups from the rice, cotton, dairy and horticultural industries.

This submission represents the reviews of the Members of NSWIC with respect to the Murray-Darling Basin Authority's proposed amendments to the Murray-Basin Plan 2012. However, each Member reserves the right to independent policy on issues that directly relate to their areas of operation, or expertise, or any other issues that they may deem relevant.

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General Comments

The NSW Irrigators' Council (NSWIC) appreciates the opportunity to provide comments to the Murray-Darling Basin Authority's (MDBA) proposed amendments to the Murray-Darling Basin Plan 2012.

NSWIC acknowledges that the MDBA's proposed Basin Plan amendments cover several aspects of the Commonwealth's water reform process, including the Northern Basin environmental water recovery target, groundwater extraction limits and other minor technical amendments. The Council is particularly pleased that the review of the Northern Basin environmental water recovery target is finally complete after a three-year review. Despite an extensive timeframe for the review, NSWIC remains disappointed that the MDBA is proposing to remove more productive water from Basin communities - most of which have already experienced extensive social and economic hardship from previous water recovery; as shown by the Authority's own modelling.

As NSW's peak industry body representing irrigators and as a member of the 'More Than Flow' campaign, we reiterate our position that **"ENOUGH IS ENOUGH!"**.

NSWIC emphatically reiterates its position that the Commonwealth Environmental Water Recovery target must be stopped at the current 278GL recovery value due to:

1. Significant social and economic impacts already experienced by Northern Basin communities, including employment losses of 450 FTE equivalent positions, as shown by the MDBA's own research.
2. Lack of evidence that further increases in environmental water recovery will lead to improved environmental outcomes as shown by the Murray-Darling Basin Authority's modelling.

NSWIC has good cause to be skeptical of the Authority's flow rate, environmental impacts modelling and the assumptions about the nature of stream behaviour in northern NSW on which the modelling is based, because it is often arbitrary and unrealistic. The Authority has suggested that greater environmental water recovery beyond the proposed 320GL would lead to reduced environmental outcomes and fewer environmental indicator targets being met (i.e. 21 vs 22 under a 320GL recovery amount), while at the same time proposing further environmental water recovery from New South Wales; despite having already exceeded the state's aggregate environmental water recovery in the NSW Northern Valleys target by 7GL.

As the NSW Government outlined in its 'Northern Basin Review Synopsis' (after conducting its own assessment of the MDBA findings) "analysis has shown that the environmental benefits can be retained with zero or minimal further water recovery, if accompanied by targeted complementary measures". Once again NSWIC states that if the Authority's own modelling and the State Government's independent assessment show that '*additional flows*' are not the answer to meeting the environmental objectives of the Basin Plan in the Northern Basin, it is time to step away from the simple "just adding water approach" and turn to more holistic, whole-of-river focused, flexible, and purpose-driven water management techniques and to complementary measures which focus on meeting the scientifically observable needs of river systems and associated ecosystems. The Council believes that the needs of the environment could be better met through non-flow complementary or 'toolkit' measures (as described by the MDBA), such as the control of the invasive species of European carp; the installation of cold water pollution mitigation infrastructure in four Northern dams; the

provision of fish passages; and proactive management of wetlands. This approach would have the dual benefit of achieving environmental outcomes whilst mitigating further detrimental social and economic impacts for Northern Basin communities from further water recovery. In order to plan and implement these complementary measures, the Commonwealth government must redirect funding from water recovery towards the investigation and implementation of these measures and dedicate future funding to the maintenance and management of these non-flow measures and any related infrastructure assets.

In summary, in response to the MDBA findings of its Northern Basin Review, NSWIC maintains that the opportunity now arises to change the approach and repurpose the funding available for the previous 390GL water recovery target and dedicate it to the development and implementation of non-flow complementary toolkit measures. In addition, further funding must be made available by the Federal Government to ensure the ongoing management of these measures post the Murray-Darling Basin Plan implementation date from 2019.

The focus of Government must now be on using complementary toolkit measures that do not impact or diminish the rights of existing water access licence holders but meet the environmental objectives of the Basin Plan in the Northern Basin. We need Government to refocus on these measures as it will not possible to recover further water without the totally unacceptable outcome of causing even deeper social and economic damage to vulnerable Northern Basin communities.

Specific Comments

The NSW Irrigators' Council would like to provide the following additional comments to the proposed amendments to Murray-Darling Basin Plan 2012.

Shared and Local Recovery Targets

NSWIC cannot support the MDBA's proposed redefined 'shared' and 'local' recovery targets. The Council believes this amendment is a simple attempt to bind the States into arbitrarily established environmental water recovery targets and remove important flexibility from the State without scientific justification.

In this context, NSWIC points to the case of the Barwon-Darling which had an original local reduction target of 6GL and a shared reduction target of 22GL. Subsequent to the MDBA's three-year review, it is now proposed that the Barwon-Darling has a local reduction target of 32GL - which coincidentally is equivalent to the current environmental water recovery volume from that river - and indicates over-recovery in that river against the MDBA's previous target volumes. In NSWIC's view this 500% change to the Barwon-Darling local recovery target is a remarkable convenient and arbitrary change without notice, research or explanation and should be disallowed under the plan amendments. It seems quite clear that the amendments between the proposed new environmental water recovery target and the current recovery volume in the NSW Barwon-Darling is blatantly 'reverse engineered'.

This contention is supported by the admission of MDBA staff that the Macquarie valley recovery target had been similarly reverse engineered, and NSWIC believes this also occurred in the Lachlan Valley – in both instances resulting in over-recovery. This raises serious concerns about the arbitrariness of the MDBA's proposed restructuring of the Northern Valleys recovery figures in NSW.

Finally, NSWIC is concerned that the Macquarie Valley is the only Northern NSW valley with a downstream contribution target, despite the fact that the Macquarie valley is grossly over-recovered and has experienced some of the harshest socio-economic impacts and that the MDBA continue to significantly overstate the level of connectivity between the regulated Macquarie River and the Barwon-Darling.

Further Environmental Water Recovery in the NSW Border Rivers and Namoi

NSWIC cannot support the MDBA proposal for further recovery in the NSW Border Rivers and the Namoi valleys.

As outlined earlier in this submission, the MDBA's own research has shown significant social and economic impacts from the completed water recovery in the Northern Basin, including employment losses of 450 Full Time Equivalent positions to date. The MDBA's modelling has also shown that the environmental benefits from further water recovery are minimal or non-existent despite this additional recovery. Even under the most simple triple bottom line impacts assessment it is clear that further environmental water recovery in the NSW Border Rivers and the Namoi valleys violates the intent of the Commonwealth's own principles in this water reform process and contravenes the Water Act's own 'triple bottom line' objective of optimising social, economic and environmental outcomes.

Over-Recovery in the NSW Valleys

Despite the MDBA's proposed additional environmental water recovery amount in New South Wales, little attention has been paid as to how the already existing over-recovery' in the NSW Gwydir, Macquarie valleys and the Barwon Darling will be addressed.

According to the MDBA's own modelling, the current over-recovery in the Gwydir and Macquarie valleys under the Basin Plan is estimated to be 6GL and 12GL respectively. NSWIC and the NSW Government maintain that the over-recovery volumes are even greater when accounting for the discrepancies in the Long-Term Diversion Limit Equivalent Factors (LTDLE) in these valleys – likely in excess of 31GL - if accounting for the fact that the environmental requirements in the Macquarie valley have never been determined and the water recovery target was reversed engineered.

Existing Physical and Operational Constraints

Despite a firm commitment by the MDBA that its assumptions and modelling is based on existing physical and operational constraints, NSWIC does not agree, and the Council contends that the evidence is that the Authority is attempting to 'bend' the river operational rules to fit with its revised Northern Basin Recovery Target of 320GL with implementation on Toolkit Measures.

As the case of the NSW Barwon-Darling recalculated recovery target clearly shows, the MDBA has used assumptions on river management rules that do not reflect current practices. The MDBA's modelling assumes the ability to release regulated flows on top of unregulated river flows in regulated river systems to achieve specific flow targets within those systems, and also in downstream areas of the Barwon-Darling unregulated river. As the NSW Government has pointed out, the NSW Policy on the Prerequisite Policy Measures Implementation Plan does not provide for such an arrangement in any of the Northern Basin valleys due to adverse third party impacts for other water licence holders. Clearly the MDBA assumptions are unrealistic and the modelled flows may never be able to be delivered.

Similar unrealistic assumptions about existing physical and operational constraints were also made for the Gwydir valley. In broad, the MDBA's assumes a level of sophistication in the current river management practices and environmental water management behaviour that does not match reality.

Social and Economic Impacts

To reiterate our position, NSWIC does not accept any further social and economic impacts being inflicted on Northern Basin communities and as such, we reject any further productive water being removed from the NSW valleys.

In this context, we fully support the NSW Minister for Primary Industries, Lands and Water, Niall Blair who has stated that "the NSW Government has been unashamedly clear in its approach to Basin Plan implementation to ensure that we avoid further impacts on our communities and our food and fibre industries".

The MDBA's own socio-economic work shows that nine of the 21 communities examined in its research are likely to be impacted by the water recovery, with the impacts ranging from

modest to significant; clearly contravening the ‘triple-bottom-line’ outcome objective of the Basin Plan, as contained in the Water Act 2007.

In addition, we consider the current social and economic impacts, including the current 450 FTE employment losses at current recovery or the even more than 500 FTE losses at the proposed revised 320GL target, as completely unacceptable and unjustifiable.

In particular, the employment impacts from further water recovery are unacceptable. As shown in the table below, the exponential increase in employment effects from further water recovery raises the very real question as to whether the triple-bottom-line objectives of the Water Act can be achieved with any further water recovery beyond the current 278GL:

Employment Outcomes for Water Recovery Scenarios

Town	390 GL employment effects	320 GL employment effects	278 GL employment effects
Boggabri	<5	<5	0
Bourke	25	28	28
Collarenebri	54	54	54
Dirranbandi	64	49	33
Goondiwindi	17	24	+21
Gunnedah	18	12	<5
Moree	152	96	116
Mungindi	<10	<10	+3
Narrabri	17	<10	0
Narromine	55	41	55
St George	137	83	49
Trangie	17	13	17
Walgett	<5	<5	0
Warren	114	89	114
Wee Waa	32	23	8
Total	Approx. 710	Approx. 530	Approx. 450

Source: MDBA - Provided on request.

NSWIC has very serious concerns for Northern Basin communities who are already under significant social and economic strain from previous water recovery efforts by the State and Federal Government. Irrigation communities are at a breaking point, given the potential for further devastating impacts from the Basin Plan, in its revised form as recommended to Government by the Authority.

Complementary Measures

NSWIC maintains that the current ‘just add water’ approach by the MDAB to Basin Plan implementation and environmental water planning is pushing communities to the brink but still failing the environment.

As the MDBA’s own modelling has shown, a greater environmental water recovery target beyond the proposed 320GL would lead to reduced environmental benefits and less environmental targets being met. This shows clearly that we need to step away from the current ‘just add water’ approach and find other non-flow complementary environmental management measures that are able to improve the health of the Murray-Darling Basin without hurting local communities.

First of all, we need to make the most of the environmental water that has already been recovered – smarter and efficient use of environmental water is just as important as efficient water use in irrigation.

Secondly, better environmental outcomes can be achieved if we fix cold water pollution, provide fish passages, control feral animals in key wetlands and floodplain areas, ‘resnag’ the river, and tackle the infestation of the European Carp.

The Council acknowledges that complementary measures require further analysis and investigation to ensure that any third party impacts are identified and mitigated as required. However, NSWIC believes there is ample evidence that the opportunities from implementing these complementary toolkit measures are real and should now become a primary focus in Basin Plan implementation. However, to ensure that these measures can be progressed it is important that the Federal Government redirects current funding for water recovery towards the investigation of these non-flow complementary measures. In addition, further funding must be made available for the ongoing maintenance and management of these measures as well as any related infrastructure assets.

Reasonable Excuse Provisions

NSWIC is concerned about the proposed amendments relating to the calculations of the cumulative balance of water take for the purpose of assessing compliance with the Sustainable Diversion Limits (both surface and groundwater). In terms of surface water resources, the Council is of the view that the wording of the new section 6.11(5) is contrary to the intend of section 6.12(4)(b) which allows for reasonable excuses in circumstances other than the Commonwealth Government not achieving its recovery target. NSWIC is of the view section 6.11(5) should be redrafted so that it does not specially refer to the example of ‘reasonable excuse’ specified in section 6.12(4)(b) but rather refers to any reasonable excuse permitted under section 6.12(4).

Further, NSWIC is concerned that section 6.13(3)(b) would prevent the Basin State from claiming a reasonable excuse for an SDL non-compliance unless the Basin State sets out how it will reduce the cumulative balance to zero and *make good* on any excess take (as per section 6.12(3)(b)). This effectively would mean that there is no difference between SDL non-compliance action with or without a reasonable excuse for SDL non-compliance except in circumstances where the Commonwealth has not achieved its recovery target. NSWIC believes the requirement is too restrictive and could constitute a risk to water licence holders in NSW.

Outstanding Issues

Finally, the MDBA’s modelling has failed to address some key issues as highlighted in the NSW Government Northern Basin Synopsis:

- The original Basin Plan modelling assumed that the Barwon-Darling River pumping threshold, as nominated in the Water Sharing Plan for the Barwon-Darling unregulated and alluvial water sources 2012, would be lifted. This scenario would represent a new form of ‘right’ for environmental water holders to ‘own’ in-channel flow that would result in clear third party impacts to other licence holders. This would contravene a clear and unequivocal by the Federal Government that water for the environment held by the Commonwealth would not have primacy over the same licences held by irrigators. As the NSWIC has stated on many occasions, the Council

does neither accept a change in the characteristics of water entitlements held by the Commonwealth Environmental Water Holder nor any preferential treatment of licenced environmental water over other licence holders of the same licence category.

- In line with NSW Government concerns about the MDBA's emphasis on the long-term average flow to the Barwon-Darling system as measure of environmental outcomes, NSWIC hold similar reservations about the MDBA's assumptions as often being opaque and not easily accessed or assessable for their impacts on stakeholders.

NSWIC continues to raise the importance of a 'fit-for-purpose' approach to the Basin Plan implementation, taking account of the current existing operational capacity, limitations, and constraints. We urge the MDBA to do likewise and step away from unrealistic assumptions and unachievable targets underpinning their Northern Basin Review recommendations to the Commonwealth. In NSWIC's view it is ludicrous to recommend further recovery in the Northern Basin, while acknowledging over-recovery has already occurred in the NSW Northern Basin overall.

ENDS.