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SUBMISSION

Murrumbidgee Surface Water Resource Plan

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Introduction

The NSW Irrigators' Council (NSWIC) is the peak body representing irrigation farmers and the irrigation farming industry in NSW. Our Members include valley water user associations, food and fibre groups, irrigation corporations and commodity groups from the rice, cotton, dairy and horticultural industries. Through our members, NSWIC represents over 12,000 water access licence holders in NSW who access regulated, unregulated and groundwater systems.

NSWIC engages in advocacy and policy development on behalf of the irrigation farming sector. As an apolitical entity, the Council provides advice to all stakeholders and decision makers.

Irrigation farmers are stewards of tremendous local, operational and practical knowledge in water management. With over 12,000 irrigation farmers in NSW, there is a wealth of knowledge available. To best utilise this knowledge requires participatory decision making and extensive consultation to ensure this knowledge can be incorporated into best-practice, evidence-based policy. NSWIC and our Members are a valuable way for Governments and agencies to access this knowledge.

NSWIC welcomes this public exhibition as an opportunity to share local, practical and operational knowledge and expertise in water management. NSWIC offers the expertise from our network of irrigation farmers and organisations on an ongoing basis to ensure water management is practical, community-minded and follows participatory process.

This submission represents the views of the Members of NSWIC with respect to the Murrumbidgee Surface Water Resource Plan (WRP). Each member reserves the right to independent policy on issues that directly relate to their areas of operation, expertise or any other issues that they deem relevant.



NSW Irrigators' Council's Guiding Principles

Integrity	Leadership	Evidence	Collaboration
Environmental health and sustainable resource access is integral to a successful irrigation industry.	Irrigation farmers in NSW and Australia are world leaders in water-efficient production with high ethical and environmental standards.	Evidence-based policy is essential. Research must be on-going, and include review mechanisms, to ensure the best-available data can inform best-practice policy through adaptive processes.	Irrigation farmers are stewards of tremendous knowledge in water management, and extensive consultation is needed to utilise this knowledge.
Water property rights (including accessibility, reliability and their fundamental characteristics) must be protected regardless of ownership.	Developing leadership will strengthen the sector and ensure competitiveness globally.	Innovation is fostered through research and development.	Government and industry must work together to ensure communication is informative, timely, and accessible.
Certainty and stability is fundamental for all water users.	Industry has zero tolerance for water theft.	Decision-making must ensure no negative unmitigated third-party impacts, including understanding cumulative and socio-economic impacts.	Irrigation farmers respect the prioritisation of water in the allocation framework.
All water (agricultural, environmental, cultural and industrial) must be measured, and used efficiently and effectively.			Collaboration with indigenous nations improves water management.



Overview

The NSWIC welcomes the public exhibition of the draft *Murrumbidgee Surface WRP*. WRPs, as well as the subsequent changes to Water Sharing Plans (WSPs), are of critical importance for the irrigation industry and rural communities. NSWIC acknowledges that the development of WRPs is a key commitment of the NSW Government's obligations under the Murray-Darling Basin Plan.

This submission presents NSWIC's key recommendations, specifically:

Recommendation 1) Collaboration with Water Users:

A) Ensure meaningful engagement with water users in development of WRPs, by working with water users from the earliest possible stage through a participatory process – rather than just consultation at a later stage.

B) Ensure a feedback mechanism is developed for Stakeholder Advisory Panels so that representatives understand how their input is incorporated (or not incorporated).

Recommendation 2) Readability: Reduce the complexity of the WRP and improve the readability. NSWIC encourages the Department to provide hyperlinks to more easily guide the reader. Explanatory materials should be plain English, and prioritise key principles of accessibility, clarity, comprehension and simplicity.

Recommendation 3) Objectives: The objectives must be measurable, and ordered to reflect their priority or importance, with *"to improve water security for all uses of Basin water resources"* being the key overarching objective.

Recommendation 4) Pre-requisite Policy Measures: Further develop the proposed "procedures manual" for managing Pre-requisite Policy Measures (PPMs) in the Murrumbidgee, to ensure transparency and accountability in the implementation of PPMs, and to ensure the reliability of supply to water entitlement holders is not impacted.

Recommendation 5) Economic Objectives: Further work is needed to expand the indicators used to measure the economic objectives (other than just trade), to ensure the multiplier effects of socio-economic development of regional communities and related industries are included. This should include measures of impacts on reliability.

Recommendation 6) Inter-Valley Trade: Ensure transparency and that public consultation occurs prior to any changes to arrangements for IVT, or the conditions under which it operates.

Recommendation 7) Trade within and between water sources: Provided further information to clearly outline the exact changes to trade rules including both explanation and justification of the changes and seek feedback from water users (and others) to ensure the ramifications are fully understood.

Recommendation 8) Our Murrumbidgee members advise they do not support the proposal to convert regulated river water access licence to unregulated river water access licences. In addition, our members note and raise concerns with Part 12 clause 85 which allows the Plan to be amended to permit conversion. NSWIC seeks that further information is provided outlining the nature of the proposal for trade between regulated and unregulated water sources, and the reasons for the proposal, as well as



providing certainty that the proposed changes will undergo public consultation when more information is available, before progressing

Recommendation 9) Actual water usage and the SDL: NSWIC recommends that flexibility is retained, in regard to decreases in actual water use below the SDL. A clause should be inserted into the WSP to allow actions taken to bring extractions into compliance with the SDL to be reversed.

Recommendation 10) Compliance assessment advisory committees: NSWIC supports in-principle measures to enhance the engagement of water users in policy development, and seeks further information about how water users can engage in these committees.

Recommendation 11) Nature of amendments: Clearly outline the processes moving forward with the finalisation of the WSP and WRP, as well as for future reviews and amendments to the WSP and WRP.

Recommendation 12) Incident Response Guide: Clarify the prioritisation of water access between carryover water, supplementary water and high-security water.

Recommendation 13: NSWIC recommends that mechanisms to monitor and respond to changing socio-economic conditions as a result of implementing the Basin Plan at a local and valley-level are put in place. This should include regular Socio-Economic Impact Assessments, with flexibility to implement measures in response to the findings.

Submission

Consultation with Water Users

Water users hold incredibly valuable local knowledge on local river systems and water management. Participatory policy development is required to best utilise that knowledge. With the fundamental purpose of the Basin Plan being to shift water away from agriculture, it is critical that water users are involved with the process of implementing the Plan during WRP development, to ensure that transition does not have adverse impacts on the industry or rural communities.

NSWIC has received feedback that, whilst processes are in place to engage water users in the development of WRPs (e.g. Stakeholders Advisory Panel (SAP)), there is a lack of up-take and responsiveness to the knowledge provided. The SAP are dominated by Government representatives and interagency discussion and consultation occurs before SAP meetings. Our members who have participated in the SAP process believe the process has not been an effective forum for consideration of their views and has been a wasted opportunity for considering improvements to valley WSPs. This then becomes a major loss of opportunity to capture valuable local knowledge which would make a significant contribution to the WRP, particularly in the local community. A particular concern raised is the lack of feedback mechanism to 'close-the-loop' on how the input provided by the SAP was progressed.

Recommendation 1: Ensure meaningful engagement with water users in development of WRPs, by working with water users from the earliest possible stage through a participatory process – rather than just consultation at a later stage.



Ensure a feedback mechanism is developed for Stakeholder Advisory Panels to ensure that representatives understand how their input is incorporated (or not incorporated).

Improved readability is needed to ensure clarity and reduced likelihood of misinterpretation of the WRP

The Murrumbidgee Surface WRP (and other WRPs) are overly complex, requiring extensive cross-referencing. There is concern that this risks the clarity of the document, whilst also broadening the scope of interpretation. Whilst it is understood that the intended audience of this document is largely for accreditation by the MDBA, in the interests of transparency and clarity, a core principle of WRPs should be accessibility and comprehension by a broader audience. NSWIC raised this concern in the first tranche of WRPs that were on public exhibition earlier this year. NSWIC understands that the reason for this approach was to allow flexibility for supporting documents to be amended as required, without needing to amend the WRP itself. However, greater attention is needed to simplify the information. Hyperlinks may offer one method of allowing flexibility for the modification of supporting documents whilst reducing the complexity of the document. The colour-coding system is useful, but further steps are required to ensure clarity.

Recommendation 2: Reduce the complexity of the WRP and undertake to improve the readability. NSWIC encourages the Department to provide hyperlinks to more easily guide the reader. Explanatory materials should be plain English, and prioritise key principles of accessibility, clarity, comprehension and simplicity.

Overarching Objectives

NSWIC recommends that the Overarching Objectives (Box 1-1) that are recognised by this WRP must be measurable, are re-ordered to reflect the priority or importance of the objectives. Measurable objectives, with a well-defined baseline, are required to assess the degree of change.

Further, the current leading objective regarding giving effect to relevant international agreements (whilst fundamental to the legal architecture of the Basin Plan) appears as a weak objective, particularly given the context of a relatively water insecure region to which this WRP applies. NSWIC recommends that the final objective *“to improve water security for all uses of Basin water resources”* should be the priority objective. That objective is critical for all within the Basin, and spans the agricultural sector, the environment and communities.

NSWIC further recommends that it is important that the objectives of this WRP align with the objectives of the WSP.

Recommendation 3: The objectives must be measurable, and ordered to reflect the priority or importance, with *“to improve water security for all uses of Basin water resources”* being the key overarching objective.

Pre-requisite Policy Measures



NSWIC notes that a number of changes to the WSP will be required as a result of the WRP. One proposed change to the WSP will be an amendment so that NSW can implement the Pre-requisite Policy Measures (PPMs).

PPMs must not impact on the reliability of supply to other water entitlement holders. Transparency and accountability in the implementation of PPMs is essential to provide confidence that water entitlement holders are not being negatively impacted. NSWIC questions the adequacy of the proposed procedures manual for managing Pre-requisite Policy Measures (PPMs) in the Murrumbidgee, and seeks that further work is undertaken to improve the framework for implementing the PPMs.

NSWIC Members seek involvement and public consultation in the annual review.

Recommendation 4: Further develop the proposed procedures manual for managing Pre-requisite Policy Measures (PPMs) in the Murrumbidgee, to ensure transparency and accountability in the implementation of PPMs, and to ensure the reliability of supply to water entitlement holders is not impacted.

Economic objectives

There is subdued mention of economic outcomes in the draft WRP. The WRP needs a clear and well-defined statement of desired economic outcomes. Further credence is given to economic objectives in Section 9 of the draft WRP, which is to “*optimise economic benefits for irrigation, water dependent industries and local economies*”. Despite this, the indicators used to measure the economic objectives require expansion to reach beyond just market indicators and trade.

Broader economic indicators are required to understand the flow-on, or multiplier effects, arising from water use in a region. Economic objectives should include indicators of economic and social development in a region. These may include employment, average household incomes, and Gross Regional Product. Consideration should be given to both the economic objectives for the agricultural industry, but also the supporting industries and rural communities supported by agricultural water use.

There is currently work being undertaken by the Australian Farm Institute (AFI) looking at how the economic value of irrigated agriculture in NSW can be quantified. NSWIC encourages the Department to liaise with AFI to investigate measures/indicators to better understand and quantify the economic objectives of WRPs.

Furthermore, there needs to be a measure of impacts on reliability, with metrics such as General-Security allocation in July, October, February and June.

Recommendation 5: Further work is needed to expand the economic indicators used to measure the economic objectives, to ensure the multiplier effects of socio-economic development of regional communities and related industries is included, as well as impacts on reliability.

NSW Southern Basin Inter-Valley Trade (IVT)



Arrangements for the IVT are embedded in IVT trade procedures (not publicly available) and the Rules in Schedule D. These arrangements could open and or close IVT trade or change the conditions it operates under, with no consultation.

NSWIC is concerned that water users have been restricted from accessing information on this matter due to apparent market sensitivity of the information. For example, the Ministers protocols are not publicly available and lack transparency. NSWIC believes this demonstrates a fundamental misunderstanding of “market sensitivity” as this information would not give water users any market advantage.

One of the key principles of IVT is that government adequately manages the third-party risks to parties not involved in the trade, including environmental externalities and impacts on river operations. In-principle, opportunities to improve IVT are welcomed as it is in the interest of all involved for this to be improved.

Recommendation 6: Ensure transparency and that public consultation occurs prior to any changes to arrangements for IVT, or the conditions under which it operates.

Trade within and between water sources

A number of changes have been made to *Part 9 (Rules for managing access licences)* with government opting to use “tagged” licences in preference to assignments. The explanation and justification for the changes is inadequate.

In-principle, there is support for tagged trade provided the trade is within the IVT rules for annual assignment.

NSWIC Members seek further information on the reason for these changes, as there is generally a lack of clarity about the exact nature of the proposed changes. Water users express disappointment at not being included in the process of developing these rules, which has now resulted in the lack of understanding of both the reason for the changes, and the nature of the changes itself.

Recommendation 7: Provided further information to clearly outline the exact changes to trade rules including both explanation and justification of the changes, and seek feedback from water users (and others) to ensure the ramifications are fully understood.

Trade between regulated and unregulated water sources

NSWIC understands that a Minister’s note has been added to Part 9 Access Licence Dealing Rules seeking feedback from stakeholders to understand if there is an appetite for a potential option to allow conversion of regulated river (high security) entitlements from downstream regulated river water sources to access licences in connected upstream unregulated water sources. NSWIC understands that discussions with stakeholders has not yet commenced, but seeks further information about the reasons for the proposal.



Whilst NSWIC understands that this note does not constitute a change to trade rules, we seek clarification as to whether under *Part 12 Amendment of this Plan - Clause 85 - Part 7*¹– the Minister may vary the provisions at a later date.

NSWIC note that “an assessment of the impacts on water users and the environment will be conducted and stakeholder *engagement* will be undertaken to review different options”², however, NSWIC seeks confirmation that public consultation will occur when further information is provided *before* this change progresses.

NSWIC expresses concern about the potential risk from growth in use in both regulated and unregulated systems from plantation forestry. NSWIC notes the importance of ensuring this only occurs in the unregulated system to ensure there is no ‘double-dipping’.

A number of our Members do not support this option, on the grounds that increased interception should firstly be managed prior to development through the purchase of an unregulated licence, then if there are no unregulated licences available, a regulated high-security licence would then be required. However, as conversion is subject to modelling error and changes of time, conversion should not be permitted in this circumstance.

Recommendation 8: Our Murrumbidgee members advise they do not support the proposal to convert regulated river water access licence to unregulated river water access licences. In addition, our members note and raise concerns with Part 12 clause 85 which allows the Plan to be amended to permit conversion. NSWIC seeks that further information is provided outlining the nature of the proposal for trade between regulated and unregulated water sources, and the reasons for the proposal, as well as providing certainty that the proposed changes will undergo public consultation when more information is available, before progressing.

Actual water usage and the SDL

NSWIC seeks further information about what happens if a situation arises whereby actual water usage is below the SDL. Specifically, if the current model keeps the SDL fixed, but actual water usage decreases.

Recommendation 9: NSWIC recommends that flexibility is retained, in regard to decreases in actual water use below the SDL. A clause should be inserted into the WSP to allow actions taken to bring extractions into compliance with the SDL to be reversed.

Compliance assessment advisory committees (CAACs)

NSWIC seeks further information about CAACs. NSWIC notes that the major changes involve replacing detailed provisions with simple ones which allow the Minister to consult with water user representatives when assessing compliance with the extraction limit. NSWIC supports measures, in-principle, which enhances the engagement of water users in policy

¹ Water Sharing Plan for the Murrumbidgee Regulated River Water Source 2016, *Part 12 Amendment of this Plan - Clause 85 - Part 7*.

² https://www.industry.nsw.gov.au/_data/assets/pdf_file/0010/230230/proposed-amendment-draft-wsp-murrumbidgee-regulated-river-water-source-fact-sheet.pdf



development. NSWIC emphasises the importance of not just consultation with water users, but engagement with water users from the earliest opportunity to utilise their knowledge.

Recommendation 10: NSWIC supports in-principle measures to enhance the engagement of water users in policy development and seeks further information about how water users can engage in these committees.

Clarification is sought regarding nature of amendments to the WSP

NSWIC recommends that clarification is provided to explain that this process is not equivalent to renewing the WSP for another 10-year period, but that the changes are simply amendments to the existing WSP and relevant timeframes, so that the current WSP from 2016 will still be reviewed in 2026.

Recommendation 11: Clearly outline the processes moving forward with the finalisation of the WSP and WRP, as well as for future reviews and amendments to the WSP and WRP.

Incident Response Guide

Within the Incident Response Guide, NSWIC seeks clarification of the prioritisation of water access, for example, between carryover water, supplementary water and high-security water. It is crucial that this is clearly defined and communicated and understood by water users and the general public to avoid confusion.

Recommendation 12: Clarify the prioritisation of water access between carryover water, supplementary water and high-security water.

Socio-Economic Assessment

It is widely documented that water recovery under the Murray-Darling Basin Plan, has significant impacts on rural communities and economies. These real human impacts cannot be overlooked, and strategies must be in place at all levels to understand and minimise these impacts. Continual monitoring of socio-economic conditions, with adaptive management principles in place, is essential to ensuring the Basin Plan can be implemented with the least possible negative impacts on communities.

At present, the Commonwealth Government is undertaking the Independent Assessment of Social and Economic Conditions in the Basin. NSWIC recommends that flexibility is maintained so that the findings from this assessment, and other identified socio-economic impacts, can be incorporated into water resource planning at a local and valley level.

Recommendation 13: NSWIC recommends that mechanisms to monitor and respond to changing socio-economic conditions as a result of implementing the Basin Plan at a local and valley-level are put in place. This should include regular Socio-Economic Impact Assessment, with flexibility to implement measures in response to the findings.



Conclusion

NSWIC strongly welcomes the progression of the WRPs to public consultation, noting the critical importance they have for the irrigated agricultural sector and rural communities in NSW.

We welcome further engagement to coordinate and articulate views from our members throughout the WRP process.

A handwritten signature in black ink, appearing to read 'J. Hurst'.

Kind regards,

NSW Irrigators' Council.