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Basin Plan hurts, but having no Basin Plan will hurt more

NSW leaving the Basin Plan now would mean more buy-backs instead of \$1billion investment in infrastructure projects.

The Basin Plan has damaged irrigation communities, but now, scrapping the Basin Plan would make matters so much worse. With the hurt that a suite of reforms has had on irrigation communities, it is no wonder why people are calling for big change. But – we need to be very careful what we wish for.

1) Leaving the Basin Plan means less water – through buybacks

Withdrawing from the Basin Plan means the Federal Government would be required to buy-back additional water – another 20%. We cannot afford to forgo any more water.

2) Leaving the Basin Plan would not mean any more water

Abolishing the Basin Plan would not change how water is shared between the states. That is because those arrangements are not in the Basin Plan – they go much further back to earlier agreements (e.g. the Murray-Darling Basin Agreement). It is also separate to state water allocation policies.

3) Abolishing the Basin Plan would not change the water market

The water market also predates the Basin Plan, and is separate to it, so abolishing the Basin Plan would not fix the critical issues with the water market. Water prices would remain high, trends of water demand would continue, and market operations would continue.

4) An Inspector-General with investigative powers akin to a Royal Commission is good news

This statutory position will be critical to building integrity to water management. It is also much more informative and valuable than a one-off review. From our discussions so far, we have confidence in the Commissioner and his team.

5) The Basin Plan is pretty much complete, in terms of the impact to farmers.

Water recovery is complete in nearly every valley. The irrigation industry has done our fair share, now the remainder of the lifting is up to the NSW Government through implementing projects.

Perhaps the greatest risk in terms of the Basin Plan now (apart from withdrawing), is if the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) stalls. The risk is, that government would then have to go back into the agricultural water bucket and buy-back more water. There remains a problem that the projects have been so poorly developed that communities lack confidence and support – we need flexibility to get these done right for local communities.

6) Abolishing the Basin Plan would not fix the supply issue – drought.

It is devastating timing that the worst drought on record has coincided with one of the largest water reforms in our history – meaning the lack of water, and removal of water, have come as one big hit. However, getting rid of the Basin Plan now would not reverse this damage, nor would it fix the supply issue (lack of rain and inflows).

People say, “it is not just the drought”, and they are right there, but it is one mighty big part of the problem. With less than 1% of typical inflows coming into the system there becomes an issue. Water management becomes difficult when there’s not much water to manage.

7) Abolishing the Basin Plan would likely lead to another centrepiece reform

With high public interest in the Murray-Darling Basin, it is unfathomable to think that if the Basin Plan was abolished, there wouldn’t be a Round 2. In the current era, what would Basin Plan 2 look like?

So, where does that position us?

Earlier this month, NSWIC passed a policy motion on the Basin Plan with **unanimous support**.

The motion acknowledged that NSWIC historically (pre 2012) opposed the Basin Plan, but since it has become implemented as law (post 2012), NSWIC works to ensure optimal implementation of the key individual elements for the sector.

It is the policy position of NSWIC that future implementation of the Basin Plan must involve no additional water recovery through buy-backs, recognition that the remaining elements of the Plan present significant challenges and require increased flexibility in implementation, and greater adaptive management that acknowledges the issues facing the irrigation sector and communities. That is the crux of the Better Plan that we need.

The situation is far from good, and there are many areas that require vast improvement in the implementation of the Basin Plan – such as what has already been provided in a thorough review of the implementation of the Basin Plan by the Productivity Commission. That is our pathway forward to better outcomes.

For that reason, and after thoroughly assessing all possible options, **NSWIC cannot possibly support any action that would place our sector at such monumental risk of a further loss of water.**

So, what are we doing about it?

NSWIC asks Basin Governments to work towards a *Better Plan* that truly gets better outcomes for these people and helps stop the economic depression that faces communities.

NSWIC has continued to work on advocating for better water policy that achieves real outcomes for our communities. You can see our Action Statement on our website.

This is all about getting water to our farmers so they can grow food and crops for the benefit of all Australians, and keep pressure off the costs of living of Australian families.

See our website for more information on how NSWIC is working towards a Better Plan.