

MEDIA RELEASE

Crack open the allocation blackbox to fix underuse

17/12/2020

NSW's allocation blackbox must be reviewed as a priority after an MDBA report today linked state policy drivers to chronic underuse of water allocated for irrigation in the southern Basin.

The Trends in Use report¹ found irrigators in the Murray, Murrumbidgee and Goulburn valleys used about 375 GL a year, or 7%, less than allowed under sustainable diversion limits.

NSW Irrigators' Council CEO Claire Miller called on the NSW Water Minister to immediately commission an independent impact assessment of cumulative policy changes.

“The MDBA report highlights that state allocation policies influence water user behaviour,” Ms Miller said. “NSW officials say they are allocating all available water according to relevant policies, and that they will continue to monitor trends in water use.

“That’s hardly reassuring. If overuse was the issue, they’d be on the case to fix it in an instant.”

While water might be allocated according to relevant policies, that doesn’t mean those policies are delivering optimal outcomes. The settings reflect cumulative water reforms over many years, with no water entitlement impact assessment as required under the National Water Initiative.

“Policy drivers appear to be eroding general security entitlement reliability, particularly in the NSW Murray, over and above the warming drying trends of the last 20 years,” Ms Miller said.

“Reduced reliability drives more conservative irrigator behaviour, entrenches underuse, reduces food and fibre production and robs communities of jobs and economic activity. Rivers also miss out because the same policies mean less water is allocated to environmental entitlements.”

A lack of transparency on the how and why of NSW allocation decisions compounds the underuse problem. Allocation increments appear to bear little relation to volumes in storages, leaving farmers reluctant to commit to planting high value annual crops.

Ms Miller said an impact assessment of cumulative allocation policy drivers and operational changes in the NSW Murray valley should be the priority, as these communities have been the hardest hit by the Basin Plan and other water reforms.

¹<https://www.mdba.gov.au/publications/mdba-reports/analysing-trends-water-use-relative-sustainable-diversion-limits-southern>

“Here we have seven years of chronic underuse, with flow-on socioeconomic and environmental implications. These communities deserve immediate action, breaking open the allocation black box and assessing the multiple policy drivers discouraging irrigators from using their fair share.

“The focus was so strongly on what to do if water use was above limits, that governments didn’t think about what to do in the situation that has actually occurred, which is underuse.

“We’re not asking for more water, but we are asking for policies to support use up to the Sustainable Diversion Limit, as was always intended. That’s only reasonable.”

Whilst the MDBA has been clear that underuse does not mean surplus water available for redistribution, NSWIC regards the trend as a sure sign that NSW water allocation policies need to be reviewed.

Ms Miller explained that the problem of underusage extends beyond the four valleys subject to this review and called on the MDBA to extend this research to assess all valleys in NSW.

NSWIC thanks the MDBA for undertaking this important work, and for the constructive consultation with industry organisations and representatives.