# **Basin Plan**

# Policy Position Paper



**NOVEMBER 22** 

NSW Irrigators' Council Basin Plan Policy Portfolio



### **About us**

#### NSW Irrigators' Council

The NSW Irrigators' Council (NSWIC) is the peak body representing irrigation farmers and irrigation communities in NSW. NSWIC has member organisations in every Murray-Darling Basin (MDB) valley of NSW, and several coastal valleys, representing the people holding over 32,000 water access licences.

NSWIC is a leader in sustainable and productive water policy solutions, and advocates for and advises on best-practice water management. Our vision is for the **secure**, **sustainable** and **productive** management of water resources in NSW.

#### **Our Irrigation**

Irrigation provides more than 90% of Australia's fruit, nuts and grapes; more than 76% of vegetables; 100% of rice and more than 50% of dairy and sugar. The Gross Value of Irrigated Agriculture Production in NSW has been estimated as \$3.5 billion on average.

We are globally recognised as the world's most water-use efficient, producing more crop per drop than any other nation. For example, Australian cotton is three times more water efficient than the global average<sup>1</sup>, and Australian rice uses 50% less water than the global average<sup>2</sup>.

<sup>&</sup>lt;sup>1</sup> https://www.agriculture.gov.au/ag-farm-food/crops/cotton

<sup>&</sup>lt;sup>2</sup> https://www.agriculture.gov.au/ag-farm-food/crops/rice

Our farmers are proud leaders in positive environmental initiatives, ranging from wildlife conservation, carbon management, water efficiency, biodiversity and habitat restoration.

### Introduction

The Murray-Darling Basin Plan (the Plan) is an environmental policy initiative designed to reduce the volume of water extracted from river systems to a level determined to be sustainable – the Sustainable Diversion Limit (SDL). The Basin Plan, in essence, involves the voluntary transfer of water from irrigation farmers to the environment. The Basin Plan has received global recognition as a world-leading policy mechanism for the management of transboundary river systems.

The Plan has fundamentally changed the trajectory of irrigated agriculture and the communities depending on it. The Plan continues to be highly controversial given the impact that water recovery and enhanced water trading opportunities is having on communities and irrigated agriculture in the Murray Darling Basin. The Basin Plan is nearing the end of its 12-year implementation, commencing in November 2012 and due for completion by July 2024.

## **History**

Governments have sought to protect river environments by limiting the amount of water that can be extracted from river systems. This has involved shifting water, which was previously used for agriculture, to the environment (known as water recovery), essentially lowering the availability of water to farmers and thereby reducing food and crop production in Australia.

Water recovery commenced well before the Basin Plan. The MDB has undergone a long history of water reforms. This has included:

- 1997 – the Murray Darling Basin Cap (the Cap) on diversions which limited surface water extractions in each valley.

- 2000s The Living Murray (TLM) Program and the Water for Rivers (Snowy) investments recovered 679 GL from the Southern Basin. This represented approximately a seven percent reduction in diversions below the Cap.
- 2000s NSW Water Sharing Plan limits, 241GL reduction below the Cap.
- 2004 Basin State governments signed the Intergovernmental Agreement on a National Water Initiative the blueprint for water reform in Australia.
- 2007 the Water Act 2007 commenced.
- 2008 water recovery under the Murray-Darling Basin Plan commenced.
- 2012 the *Murray Darling Basin Plan 2012* was enacted which legislated new, lower levels of take across the Basin.

The Basin Plan aims to reduce the level of diversions from the river system from the *Baseline Diversion Limit* (BDL – the pre-Basin Plan level of diversions at 2009) to a lower volume – the SDL. The SDL commenced on 1 July 2019. This involves water recovery from farmers, to the environment, in each valley.

In total, the amount of water recovery required is an annual average yield of 2,680  $\rm GL^3$ . This water is in addition to the annual average 18,600  $\rm GL$  that was not diverted or intercepted in the Plan's 2009 baseline.

### **Progress**

To date under the Plan, 2,107 GL has been recovered<sup>4</sup>, over 4 Sydney Harbors in volume. This represents approximately one in five litres of water coming out of irrigation in just one decade, or one in three litres if pre-Basin Plan reforms are considered. This has reduced diversions for irrigation, town and industry's from 35% of Basin inflows to just 28%.<sup>5</sup>

<sup>&</sup>lt;sup>3</sup> The 2,680GL is a volume, each water entitlement recovered is converted by a specific factor reflecting the long term diversion equivalent for that type of entitlement. The number of entitlements required to achieve this is significantly more.

<sup>&</sup>lt;sup>4</sup> Progress on Murray-Darling Basin water recovery - DCCEEW

<sup>&</sup>lt;sup>5</sup> <u>1111-BPKId-water-resource-assessments-development-baseline.pdf (mdba.gov.au); 26 November Sustainable Diversion Limit (SDL)s as at 1 ~ surface water.XLSX (mdba.gov.au)</u>

The commencement of SDLs across the Basin (as the centerpiece of the reform), and water recovery now exceeding the Basin-wide target<sup>6</sup>, marks a significant transition and attainment of key pillars of the Plan.

Remaining components involve the SDL Adjustment Mechanism (SDLAM) which is important to maximize environmental outcomes, including to optimize the use of water already recovered, whilst also reducing further socio-economic impacts.

## **NSWIC Policy Position**

#### **Overall Position**

NSWIC supports a healthy Murray-Darling Basin. Basin Plan policy is required to balance economic, social and environmental objectives. Whilst NSWIC historically (pre-2012) opposed the Basin Plan, since it was signed NSWIC has worked to ensure optimal implementation of the key individual elements. This involves balancing social, economic and environmental outcomes, and minimizing adverse impacts.

Future implementation of the Basin Plan must acknowledge the impact so far on communities and our capacity to produce food and fibre. This means, going forward, implementation must be responsive and adaptive and value the importance of irrigated agriculture and their rural communities to Australians.

It is the policy position of NSWIC for no further reductions in the consumptive pool of water for irrigation. Future implementation of the Basin Plan must be outcomes-focused, seeking to achieve tangible environmental outcomes, not just volumes. It is the position of NSWIC that environmental outcomes can best be

<sup>6</sup> Note from MDBA: While the total amount of water recovered across the Basin is higher than the overall 'Bridging the Gap' target of 2,075 GL/y, there remain some SDL resource units with local and shared water recovery targets that have not yet been met. This is why there remains some water recovery requirements in the figures above despite the fact that total recoveries Basin-wide exceed 2,075 GL/y.

achieved by working with irrigation communities through partnerships and collaborations, with demonstrable success already in practice.

There must be 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.

Core principles for future implementation of the Basin Plan include:

- Protection of property rights of entitlements for all water users.
- No impacts on reliability, accessibility or yields.
- No unmitigated third-party impacts.
- Maximising environmental water outcomes with the least amount of water, including supporting complementary measures.
- Increased flexibility in the delivery of the Basin Plan, such as through the SDLAM projects to improve outcomes for communities and the environment.
- Improved engagement with the irrigation and community sectors impacted by the Basin Plan.

Irrigation farmers support and respect sustainable levels of water use in the working Murray-Darling Basin.

#### Sustainable Diversion Limit Adjustment Mechanism

Flexibility was built into the Basin Plan in two main ways. In the Northern Basin, the Northern Basin Review (resulting in a legislated increase in SDLs in July 2018) reduced the recovery volume from the Northern Basin by 70GL (although this review did increase some of the within-valley requirements in some catchments).

In the Southern Basin, flexibility was provided through the Sustainable Diversion Limit Adjustment Mechanism (SDLAM).

The SDLAM involves a suite of Government proposed projects designed so the SDL (and associated total water recovery -2,750GL) can be increased or decreased by 5% (approximately 543GL).

The SDLAM involves 'supply projects' (also known as 'offsets' or 'downwater'), which aim to improve environmental watering infrastructure and operating rules, such as by managing constraints, to allow for similar or better environmental outcomes to be achieved with up to 650 GL less water entitlement recovery, thereby reducing the impact on farmers and communities.

The SDLAM also involves 'efficiency projects (also known as 'upwater') which aim to improve water delivery systems, including urban and on-farm infrastructure, resulting in up to an additional 450 GL of held water entitlement by government.

- SDLAM supply projects are crucial to minimising the social and economic impacts of the Basin Plan in the Southern Basin.
- NSWIC strongly supports well-designed and locally supported SDLAM supply projects to achieve the 650GL of water recovery as the most critical component to the further implementation of the Basin Plan with the lowest risk to communities, whilst also providing actual and highly desired environmental outcomes. As a minimum 605GL must be achieved.
- Flexibility and adaptability for new and improved supply projects are essential to success, including adequate timeframes.
- All stakeholders and communities affected by projects must be effectively involved in development and delivery.
- A shortfall in SDLAM supply projects poses significant risks to both irrigated agriculture, as well as the environment. Direct water recovery is not an acceptable substitute for incomplete supply projects, as it will produce suboptimal outcomes for farmers, communities and the environment.

- A SDLAM package of supply projects executed will make reconciliation redundant.
- The SDLAM must prioritise getting good supply projects in place appropriately, to optimize outcomes for the environment and without the impacts on irrigated agriculture.

#### **Constraints Management**

Constraints projects —the Reconnecting River Country Program in NSW — involves overcoming some barriers that impact delivering environmental water.

A constraint is any physical, policy or operational barrier limiting the flow of water in river systems, which can impede on the connectivity of rivers to wetlands and floodplain ecosystems. Managing these constraints allows water managers more flexibility in releasing and moving water through the system.

The program is part of the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) supply projects package, which aims to achieve improved environmental outcomes by more efficiently delivering and using existing water for the environment. The MDBA estimates the constraints program offsets the need for approximately 60 GL of water recovery.<sup>7</sup>

River operators, and environmental stakeholders, greatly value constraints projects as critical to improving environmental outcomes, and managing water delivery.

DPE has recently published that "the water levels recently experienced, and in some cases still being experienced, across the Riverina were (or are) well above the flows being considered by the Reconnecting River Country Program".

<sup>&</sup>lt;sup>7</sup> https://www.dpie.nsw.gov.au/water/water-infrastructure-nsw/sdlam/reconnecting-river-country-program

DPE has now also announced no compulsory acquisitions of flood easements on private properties under the program.

There are considerable concerns regarding the lack of progress on constraints management. In 2022, the NSW Government was still undertaking public consultation on the negotiation framework, and have only just published flood inundation maps, without having yet commenced negotiations. This is problematic as voluntary flood easements are required to be negotiated with over 4000 landholders by 2024. The WESA reviews find this will not be completed by 2024. 8

In the absence of voluntary flood easement agreements, river operators are constrained in their ability to deliver water, which limits the feasibility of delivering Held Environmental Water and the outcomes it can achieve. In this context, further recovery of Held Environmental Water at this time is highly questionable. The Productivity Commission's five-year assessment of the Murray-Darling Basin Plan<sup>9</sup> advised that further water recovery without the appropriate constraint programs in place could result in a large volume of water being 'recovered' but unable to be used for some time. The Report estimates that a failure to appropriately align constraints relaxation with water recovery could cost the Australian Government an additional \$203 million.<sup>10</sup>

SDL Adjustment Mechanism supply projects, including constraints management, reduces the volume of water entitlements bought back from irrigators.

**NSWIC** supports progressing SDLAM constraints measures to the extent that:

• Directly affected landholders are consulted and in a position to make informed decisions. All agreements will be voluntary.

<sup>&</sup>lt;sup>8</sup> <a href="https://www.dcceew.gov.au/sites/default/files/documents/second-review-water-for-the-environment-special-account.pdf">https://www.dcceew.gov.au/sites/default/files/documents/second-review-water-for-the-environment-special-account.pdf</a>

<sup>&</sup>lt;sup>9</sup> Inquiry report - Murray-Darling Basin Plan: Five-year assessment (pc.gov.au) [page 22]

<sup>&</sup>lt;sup>10</sup> Ibid.

- Constraints are managed solely to deliver environmental water and improve environmental outcomes, with environmental water holders bearing the full losses.
- Clear rules are developed in consultation with stakeholders to ensure no third-party impacts on entitlement reliability.
- Clear rules are developed in consultation with stakeholders to ensure constraints are not managed to facilitate delivery of productive water.

Notes: Concerns have been raised that constraints management will set a precedent for overbank productive water delivery. Overbank productive water delivery is not supported as it will increase losses with significant impacts on entitlement reliability. Constraints management projects must only serve to achieve environmental outcomes using environmental water (including the environment bearing the full losses). This must be demonstrable through clear operational rules and transparent accounting and reporting.

#### SDLAM 450 GL Efficiency Measures

An 'efficiency measure' is a SDLAM project that results in either an on or off-farm water efficiency improvement, with the saving transferred to the Commonwealth government for environmental purposes as Held Environmental Water.

SDLAM efficiency measures are specified in the Basin Plan as activities that change water use practices to save water. Projects might include:

- Upgrading irrigation systems.
- Lining water delivery channels.
- Productivity gains leading to less water being used.
- Changes in water management practices.

Efficiency measure projects will further lower the SDL. The total potential decrease to the SDL by 2024 is 450GL, which would result in 3,130GL equivalent of water recovery rather than 2,680GL.

The efficiency measures were originally intended to achieve enhanced environmental outcomes in the South Australian Lower Murray. However, the most recent statutory five-yearly review of the Murray-Darling Basin Plan<sup>11</sup> found:

"Recovering water through efficiency measures has become increasingly divorced from the environmental outcomes it is meant to achieve. The current focus of the program is on meeting the legislated target of recovering an additional 450 GL by 2024. There is little evidence that it has been designed to recover water in the places needed to effectively achieve the enhanced environmental outcomes."

The 2012 Basin Plan modelling that underpinned the development of the Basin Plan Schedule 5 outcomes and the efficiency measures package made a number of assumptions that have since changed. In particular, the modelling suggested that without easing constraints to allow higher flow rates, additional environmental water would have few additional benefits.<sup>12</sup>

The Water for Environment Special Account (WESA) was allocated \$1.575 billion over 10 years for efficiency measures. The second WESA review found that "putting aside program and timing limitations, the estimated cost to recover the full 450 GL through efficiency measures is between \$3.4 billion and \$10.8 billion".

The Basin Plan specifies as part of the applicable criteria for efficiency measures that: "the efficiency contributions to the proposed adjustments achieve neutral or improved socio-economic outcomes compared with the outcomes under benchmark conditions of development"<sup>13</sup>.

The Murray Darling Ministerial Council in December 2018 agreed to criteria to ensure projects funded achieve neutral or improved social and economic outcomes

11

<sup>&</sup>lt;sup>11</sup> Murray-Darling Basin Plan: Five-year assessment - Public inquiry - Productivity Commission (pc.gov.au)

<sup>&</sup>lt;sup>12</sup> Source: Productivity Commission, Murray-Darling Basin Plan: Five-year assessment. December 2018.

<sup>&</sup>lt;sup>13</sup> https://www.legislation.gov.au/Details/F2017C00078 [S 7.17].

and a set of criteria to be applied on a state-by-state basis have been agreed and released as part of the Commonwealth Water Efficiency Program – see: <a href="http://www.agriculture.gov.au/water/mdb/programs/basin-wide/water-efficiency">http://www.agriculture.gov.au/water/mdb/programs/basin-wide/water-efficiency</a>.

So far, only 4 GL of the proposed 450 GL has been recovered through efficiency measures.<sup>14</sup> WESA reports have found that the volume recovered through efficiency measures will be well short of 450 GL by 2024. Specifically, the second WESA report found that "It is not possible to reach the 450 GL target through the current efficiency measures program—the OFEP—even if the WESA's time and budget limits were removed". This has been attributed to the impact of time constraints, current social views, government policies and political positions; and the current program's unattractiveness to participants.<sup>15</sup>

NSWIC never supported the 450 up-water proposition and strongly opposed it when proposed. NSWIC advocacy now is aimed at negating its impacts, which can be evidenced by our push for the social and economic criteria agreed to by MinCo in December 2018. The NSW Government would not have supported the measures if the program was not at least socio-economically neutral.

A recent NSWIC report found that recovering the additional 450 GL is the equivalent of 10.27% of the LTDLE of the total remaining entitlement in the consumptive pool across the southern connected systems, or 19.16% of the LTDLE of High Security/High Reliability Water Share (HS/HRWS) entitlement across the southern connected systems. For the NSW apportionment, recovering the NSW share (212.4 GL) of the additional 450 GL is the equivalent of recovering:

• 9.9% of total consumptive water in the NSW southern valleys, or 14.3% of total consumptive water in the NSW southern valleys below the Barmah Choke; or

12

<sup>&</sup>lt;sup>14</sup> House of Representatives 2022 07 28.pdf;fileType=application/pdf (aph.gov.au) [p49]

<sup>&</sup>lt;sup>15</sup> First Review of the Water for the Environment Special Account (awe.gov.au) [p17]

• 43.9% of total HS consumptive water in the NSW southern valleys, or 45.4% of total HS consumptive water in the NSW southern valleys below the Barmah Choke;

NSWIC does not support recovery of more water, including the 450 GL, from the remaining consumptive water pool available to grow food and fibre, unless it meets the strategic socio-economic criteria agreed by MinCo in 2018 due to the potential devastating socio-economic impacts.

NSWIC recognises that recovery of the additional 450 GL represents a very large proportion of the remaining water in the consumptive pool, and would necessarily have devastating socio-economic and market impacts.

NSWIC only supports progressing of recovery through the efficiency measures to maximise the opportunities of the SDLAM (currently 62GL), and this recovery should only involve water entitlements outside the productive pool that can be used to achieve the enhanced outcomes sought by 450GL.

NSWIC's position is the WESA funding should be re-invested into complementary measures to achieve the environmental outcomes, without the socio-economic or market impacts.

#### Northern Basin Toolkit

The Northern Basin is recognized as genuinely different to the Southern Basin (in terms of hydrology, agriculture, climate and socio-economically), and implementation of the Basin Plan was amended to be respectful of that.

Following a review into the Northern Basin, a number of projects ("toolkit measures") were developed which resulted in the 390 GL water recovery target in the Northern Basin being reduced by 70GL to the new target of 320GL. The Northern Basin Amendment to the Basin Plan was made on 3 July 2018.

The toolkit measures include strategic acquisition of remaining water recovery in the Northern Basin, protection of environmental flows, addressing constraints in the Gwydir, investigating options to support event-based environmental water delivery, improving the management and coordination of environmental water, and environmental works (such as to promote fish movement and habitat such as fishways and cold water pollution control).

An independent Northern Basin Commissioner was appointed in 2018 to improve governments' understanding of the river system in the Northern Basin. This position was then replaced by the Inspector General for the Murray–Darling Basin, with broader responsibilities.

NSWIC supports well-designed projects in the Northern Basin Toolkit that are designed in consultation with the community.

Toolkit measures aim for tangible environmental outcomes that do not rely on flows alone, which is critical to a healthy and prosperous Murray-Darling Basin.

#### Pre-Requisite Policy Measures (PPMS)

Pre-requisite Policy Measures (PPMs) are legislative and operational rule changes to how water recovered for the environment under the Basin Plan is delivered – i.e. to maximise the beneficial outcomes of HEW.

The Plan assumed PPMs would be implemented in the Southern Basin (PPMs apply only to HEW in the regulated Murray Lower Darling and Murrumbidgee systems). NSW was required to implement PPMs in Water Sharing Plans by 1 July 2019.

#### The three key measures are:

1. Allow the re-use of licensed environmental water to allow the same water to be used at multiple sites, in some cases this will involve re-crediting return flows.

- 2. Provide the ability to piggyback or order held environmental water from a head water storage during a natural flow event.
- 3. Allow the environmental water holder the flexibility to nominate the storage they require their water to be delivered from (applicable where head work storage is in series and not in parallel).

The NSW Environmental Water Holder and WaterNSW are both required to report annually on environmental watering actions that used PPMs. This can inform and improve future management of PPMs. Two annual reviews of PPM implementation in NSW have been completed.

The implementation of PPMs should not impact on the yield and reliability of water entitlements and access or supplementary water.

There should be increased transparency in the NSW Government management and reporting of their implementation of PPMs, this reporting should require evidence implementation has not reduced the yield, reliability or access to other water entitlement holders.

The PPMs should not be extended to Planned Environmental Water unless as a supply measure that increases the SDL.

#### **Under and Over Recovery**

The Basin Plan requires recovery of both a local volume and volume which is considered a shared contribution to downstream flows or connectivity. The shared recovery target in the Northern Basin includes the Barwon-Darling, NSW Border Rivers, Intersecting Streams Gwydir, Macquarie-Castlereagh, and Namoi. In the Southern Basin the lower-Darling, NSW Murray and Murrumbidgee contribute to the shared target.

The Basin plan water recovery targets are volumetric - this means it is necessary to have factors that compare different entitlements and factors that convert an

entitlement type to a volume available to meet the Plan volumetric requirements over the long term.

The Plan's planning assumptions established factors to convert entitlement types in a catchment to what is called a Long-Term Diversion Limit Equivalent Factor (LTDLE). NSW working with the MDBA updated NSW's LTDLE factors in order to ensure the planning assumptions were consistent across catchments and based on the Plan planning framework (1895-2009). The new LTDLE factors were finalised at the end of 2018 and the progress towards recovery now reflects the revised factors.

Consequently, as of 31 March 2019, there is over recovery in the Gwydir (5GL) and Macquarie-Castlereagh (38GL). There is a local target remaining in Barwon Darling (1,9GL), Namoi (9.5GL) and NSW Borders Rivers (5.1GL) and a shared volume in the Murrumbidgee (4.3GL) and NSW Murray (10.2GL).

NSWIC recognises the significant achievement to implement SDLs as the centerpiece of the Murray-Darling Basin Plan and to not only meet, but exceed, the Basin-wide 2075 GL Bridging the Gap water recovery target.

NSWIC supports the return of over recovered water to the consumptive pool in affected valleys, subject to consultation with water users in impacted valleys. NSWIC supports irrigation farmer led approaches for further water recovery where the local recovery target is under-recovered.

Where Governments have failed to 'bridge the gap' and there is under recovery of the local target, the reasonable excuse provisions should apply and irrigation farmers in affected valleys should not be negatively impacted by Government failure to secure the required water.

#### Socio-Economic Impacts

Irrigation in the Murray Darling Basin has an economic multiplier of 3.5: for every \$1000 of farm gate revenue generated, an additional \$3500 of dependent economic activity is generated.

Water reforms which reduce the accessibility of water for irrigation have significant flow-on effects across communities. Less water for farming means less expenditure at local businesses, less children at schools and less teachers, less services within communities such as healthcare, and less participants to form local sporting clubs.

The impacts of water reform on socio-economic outcomes for Basin communities is well-documented. The April 2020 'Independent Assessment of Social and Economic Conditions in the Basin' is a key report, as advocated for by NSWIC, and makes a number of critical findings and recommendations. These include:

"The need for change is pressing. Analyses the Panel commissioned and our consultations with rural and regional communities demonstrate the significant risk for some regions and industries if further recovery from the consumptive pool were to occur at the current planned pace and extended drought and climate change induced drying followed."

"We know that there are areas where further recovery would inevitably impact communities currently under considerable stress and we urge the pace of further recovery be matched to communities' capacity to cope with more change. Acknowledging the substantial work done to date, we also need to intensify efforts to demonstrate and maximise the environmental benefits from water recovery and ensure our rivers have the capacity to achieve them."

Basin Plan policy is required to balance economic, social and environmental objectives.

Future implementation of the Basin Plan must acknowledge the impact so far on communities and our capacity to produce food and fibre, and seek to not cause further hardship in communities.

**NSWIC endorses the 'Independent** Assessment of Social & Economic Conditions in the Basin' Final Report, including all recommendations and findings.

See the NSWIC Socio-Economic Policy Portfolio for more.

#### **Complementary Measures**

Complementary measures are seek to address non-flow related issues to improve water quality or ecosystem health. Measures include carp control, improvements to fish passage through fish ways, restoration of the riparian zone, feral animal control, erosion control and nutrient run in to waterways.

Complementary measures are important given many of the greatest challenges for Basin water management cannot be addressed with flows alone. Complementary measures enable productive water and/or environmental water to more efficiently contribute to improved outcomes in the Basin. Complementary measures are an opportunity to explore alternative ways of achieving positive outcomes without the detrimental social and economic impacts of reducing the consumptive pool.

The benefits of complementary measures were recognised during the Northern Basin Review, which result in a reduction in the recovery volume and agreement by NSW and Queensland to introduce the Northern Basin Took Kit.

The Plan does not recognise the environmental benefits of implementing complementary measures further, particularly in the Southern Basin and should.

NSWIC strongly supports progressing complementary measures.

Complementary measures should be considered as alternatives to volumetric water recovery in the Basin Plan.

Water must be used in the most effective and efficient manner (e.g. using the smallest volume to achieve the greatest possible environmental benefit).

NSWIC requires transparency of modelling which demonstrates the effectiveness of measures.

#### What's Next

We are now approaching critical stages of the implementation of the Basin Plan. The Basin Plan reconciliation in 2024 will determine the outcomes from the SDLAM and the implications of a shortfall against initial determinations (which is expected). On current trajectories, this poses risk to the consumptive pool of water for irrigation, either from further water recovery, or SDL reductions (the exact nature remains unclear).

The 2026 Basin Plan Review will also be critical in shaping future Basin water management, such as to inform the commonly touted 'Basin Plan 2.0', with reviews already foreshadowing key areas of climate change and First-Nations water rights.

NSWIC is of the position that future Basin water management must be centered on working together in partnerships with the irrigation sector through ground-up approaches, recognizing that positive environmental outcomes can be achieved alongside a healthy and thriving irrigated agricultural sector.

NSWIC supports the need for robust on-going measurable monitoring of social, economic and scientifically justified environmental objectives in preparation for the 2026 review.

Together with Government, the irrigated agriculture sector must identify opportunities to best prepare the irrigation sector for the 2026 review and the risk of demands for a further reduction in the consumptive pool. This will involve looking to the future.