



SUBMISSION

Productivity Commission: Murray-Darling Basin Plan 10-year Implementation Review

Interim Report

November 2023



NSW Irrigators' Council

The NSW Irrigators' Council (NSWIC) is the peak body representing irrigation farmers and the irrigation farming industry in NSW. NSWIC has member organisations in every inland valley of NSW, and several coastal valleys. Through our members and levypayers, NSWIC represents more than 12,000 water access licence holders.

Irrigation Farming

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 (2018-19).

Irrigation farmers in Australia are recognised as world leaders in water efficiency. For example, according to the Australian Government Department of Agriculture, Water and the Environment:

“Australian cotton growers are now recognised as the most water-use efficient in the world and three times more efficient than the global average”¹

“The Australian rice industry leads the world in water use efficiency. From paddock to plate, Australian grown rice uses 50% less water than the global average.”²

Our water management legislation prioritises all other users before agriculture (critical human needs, stock and domestic, and the environment with water to keep rivers flowing), meaning our industry only has water access when all other needs are satisfied.

Our industry supports and respects this order of prioritisation. Many common crops we produce are annual/seasonal crops that can be grown in wet years, and not grown in dry periods, in tune with Australia's variable climate.

Irrigation farming in Australia is also subject to strict regulations to ensure sustainable and responsible water use. This includes all extractions being capped at a sustainable level, a hierarchy of water access priorities, and strict metering requirements.

The independent NSW Natural Resources Access Regulator polices water users' compliance with metering, extraction limits and works approvals.

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

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



Executive Summary

1. **NSWIC strongly agrees with the Productivity Commission that “the focus of the Australian governments should be on making progress towards this target [Bridging the Gap] – using the full range of water recovery options – before pursuing the 450 GL/year efficiency measures target”.**
 - a. The Productivity Commission recommendation directly contradicts the Federal Government’s current approach in prioritising recovery of another 450 GL through buybacks concurrently with measures to Bridge the Gap.
 - b. NSWIC agrees with the Productivity Commission that a “water recovery strategy should also include: a commitment to all available water recovery options, including community and industry developed proposals, with projects prioritised based on availability, their cost-effectiveness and likely socioeconomic outcomes”.
 - c. NSWIC’s legal advice is that the Water Amendment (Restoring our Rivers) Bill 2023 does not enable any options other than buybacks in one form or another (despite Australian Government rhetoric), and excludes all community and industry developed proposals in practice. This means the Government is actively shutting down the pathway to act on a Productivity Commission recommendation. If the Government intention is genuinely to enable all options, not just buybacks, consistent with the Productivity Commission’s water strategy recommendation, then this intent must be explicit in the Bill to avoid doubt.
2. **NSWIC strongly opposes buybacks to support the Productivity Commission’s recommendation that “the Australian Government should not delay making good on the likely shortfall from the 605 GL/y offset”.**
 - a. Rushing to recover water through buybacks instead of progressing current and new supply projects risks the abandonment of worthwhile projects delivering enhanced outcomes beyond what’s possible by merely adding more water.
 - b. Further buybacks will also have severe socioeconomic and water market impacts, costing communities jobs, services and, population, and forcing allocation water prices beyond what farmers can afford in most years.
3. **NSWIC notes community assistance programs are unlikely to replace jobs, services and regional income lost due to water recovery from farmers.**
 - a. NSWIC notes the Commission’s warning that designing and implementing effective adjustment programs for regional communities experiencing structural change is notoriously difficult.
 - b. NSWIC agrees with the Commission that there are very few examples of successful adjustment programs, both in the Basin and across the Australian economy.
 - c. The Gross Value of Irrigated Agricultural Production in the Murray-Darling Basin is \$8 billion. There is no simple substitute: few towns have economic options other than irrigated agriculture, and in those that do, options such as recreation and tourism have not grown enough to replace the lost jobs, income and services linked to past water recovery for the environment, much less the impacts of additional recovery.
4. **NSWIC agrees with incorporating complementary measures but recommends making this front and centre of Basin Plan implementation.**
 - a. Given that recovering the environmental health of rivers and floodplains in the Basin, including improving water quality and habitat, relies on complementary measures, it is concerning that the Australian Government’s approach to the Basin Plan continues to overlook these measures in favour of just adding more water that will not fix the key degradation drivers.



NSWIC provides specific comments on the recommendations and information requests from Page 10.

NSWIC notes the highly misleading Australian Government spin on the Commission's interim report in media, which significantly misrepresented what the Commission found and recommended.

NSWIC published a Media Statement clarifying:

“While the Government is spinning the Productivity Commission review to justify open slather on buybacks for the 450 GL, the Commission is clear that the focus must be on Bridging the Gap first... If the Government was being honest, the Productivity Commission supports taking a very different path to the one it wants cleared by the Water Amendment (Recovering Our Rivers) Bill.”³

The points in this submission on the Interim Report are provided in addition to the original NSWIC Submission to the Productivity Commission's 10-year implementation review.⁴

³ https://www.nswic.org.au/media_release/productivity-commission-warns-against-rush-to-buybacks/

⁴ <https://www.nswic.org.au/wp-content/uploads/2023/07/2023-07-28-NSWIC-Submission-PC-10yr-Review-Basin-Plan-1.pdf>



Key points:

1) NSWIC strongly agrees with the Productivity Commission that “the focus of the Australian governments should be on making progress towards this target [Bridging the Gap] – using the full range of water recovery options – before pursuing the 450 GL/year efficiency measures target”.

Is there a Gap left to Bridge?

Implementing, and achieving compliance with, Sustainable Diversion Limits (SDLs) is the central purpose of the Basin Plan. These came into effect in 2019, and are being complied with subject to 605 GL in SDLAM supply projects being delivered.

It is the view of NSWIC that there is no gap left to bridge, with SDLs now being complied with, as identified in a recent NSWIC Report [[HERE](#)].⁵

For example, this Report shows that in valleys such as the NSW Murray, water diversions in 2020-21 were 322.7 GL under the SDL, or 21%, and the year before, diversions were 117.4 GL, or 8%, under the SDL. However, the Government is buying yet another 10 GL from farmers in the NSW Murray valley ostensibly to meet modelled Bridge the Gap volumetric targets.

This shows that SDL compliance has been achieved with a lower volume of water recovery than initially modelled to be required. It is important to remember that water recovery was the means to achieve the end of SDL compliance – it was not an end in itself.

This said, NSWIC agrees with the principle of focusing on meeting remaining ‘Bridging the Gap’ requirements (such as the 605 GL in supply and constraints measures, as detailed below), before progressing to the additional ‘enhanced’ environmental outcomes linked to the additional 450 GL promised to South Australia above the Plan’s benchmark 2680 GL target.

The 450 GL

NSWIC strongly agrees with the principle of Bridging the Gap first, before seeking the additional ‘enhanced’ environmental outcomes associated with an additional 450 GL above the 2680 GL benchmark target.

The Australian Government’s prioritisation of recovery towards the 450 GL over the next four years directly contradicts the Productivity Commission’s recommended approach .

NSWIC agrees with statements made in the Interim Report, such as:

- **“It makes little sense for the Australian Government to rapidly pursue the 450 GL/y target when a significant shortfall in the Bridging the Gap target is expected.”**
- *“Recovering this volume of water by 2027 (the timeframe proposed in the Restoring Our Rivers Bill), while also recovering water to meet the 2,680 GL/y target, may cause significant disruption to the water market.”*
- *“The 2026 Basin Plan review will consider the environmentally sustainable level of take and surface water and groundwater SDLs – this review is also an opportunity*

⁵ <https://www.nswic.org.au/wp-content/uploads/2023/03/2023-03-21-Wheres-the-Gap-FINAL.pdf>



to assess how best to deliver the enhanced environmental outcomes that the 450 GL/y target is designed to meet.”

NSWIC notes that during recent Government consultation calling for innovative ideas to deliver the Basin Plan, communities and industry put forward a range of community-developed and supported projects with significant environmental merit. These are identified in the DCCEEW ‘What we heard’ document.⁶

However, most of these community-led ideas have been classified under ‘category 3’ - meaning while they provide environmental merit, they do not produce a volumetric entitlement, and are thus not able to contribute to the 450 GL. This means that a range of positive community/industry-supported options that would produce enhanced environmental outcomes, even beyond those in the Basin Plan, cannot be considered under the 450 GL.

NSWIC agrees with the Interim Report statement that a:

“water recovery strategy should also include: a commitment to all available water recovery options, including community and industry developed proposals, with projects prioritised based on availability, their cost-effectiveness and likely socioeconomic outcomes.”

We urge the PC to highlight that this recommendation is not possible under the status quo, nor under the Water Amendment (Recovering Our Rivers) Bill 2023 before Parliament.

Under the status quo, only efficiency measure projects (i.e., involving the transfer of an entitlement) can be included towards the 450 GL. Under the Bill, despite the rhetoric of the Federal Government, the only other option to be enabled for the 450 GL is buybacks in one form or another that further reduce the pool of water available to grow food and fibre.

This was confirmed through NSWIC legal advice, which says:

“The effect of this is that the WESA would be able to be used to do either or both of the following: fund efficiency measures or fund buybacks.”

NSWIC therefore strongly recommends the PC strengthens its recommendation for a water recovery strategy that includes a broader range of options, and details the necessary legislative amendments required to enable those options to count towards recovery targets. For example, to properly include category 3 ideas, would require amending legislation (either the current, or proposed versions) to enable non-entitlement-options (i.e., complementary and environmental equivalence options and partnership approaches) to be funded under WESA and contribute towards the Basin Plan (specifically in this instance, the 450 GL).

NSWIC recommends the PC set out a roadmap for how these other options can genuinely be included.

NSWIC also specifically agrees with the PC comment that:

*“The absence of a credible delivery pathway for the 450 GL/y over the next four years – including catchment-specific targets – provides no certainty to Basin communities or water market participants, potentially undermining planning and investment decisions. The **government risks being seen as just chasing a volumetric target, with no interest in the consequences or enough focus on the outcomes sought.**”⁷*

⁶ <https://www.dcceew.gov.au/sites/default/files/documents/delivering-mdbp-consultation-report.pdf>

⁷ Interim Report [P 78].



This is exactly what the Government is doing now – chasing a volumetric number, irrespective of whether it will deliver enhanced outcomes, the socioeconomic damage it will cause, or the alternative options available that have been learnt through the Plan’s implementation to date.

Previous water recovery rounds were undertaken on the understanding of needing to bridge a specified gap in a valley from the BDL to the SDL. This meant that each valley had/has a clearly specified target (shared and local) based on the gap to bridge and the respective valleys shared contribution. This provided a degree of certainty on the extent of change for the valley, but also an (albeit slight) degree of confidence that the specified number was necessary to achieve the objectives of the Plan, and based on scientific calculated reasons.

However, the new approach to the 450 GL seems like the Government will simply take whatever it can get wherever it can find it, irrespective of whether it will or will not contribute to the Plan’s objectives, or the costs it may have on communities.

This has serious implications: the water is recovered detached from environmental outcomes, and community confidence in the integrity of the Plan is severely undermined.

NSWIC strongly agrees with the recommendation in the Interim Report that:

“The 2026 Basin Plan review is an opportunity to assess how to deliver the enhanced environmental outcomes that the 450 GL/y target is designed to meet.”

NSWIC recommends that this goes further to specify that the review should consider:

- The extent to which Schedule 5 outcomes are already being met;
- The extent to which further water recovery (direct or indirect) could meaningfully contribute (or not) to meeting these objectives;
- The extent to which water can be delivered (i.e. constraints managed) to meet these objectives.
- Key degradation drivers in the Basin, and what policy levers are necessary to directly target those (i.e. complementary measures);
- Development of a credible, evidence-based delivery pathway.

NSWIC believes that the Basin plan’s implementation in terms of taxpayers expenditure, socio-economic impacts and environmental opportunity cost, is too significant for a rushed, poorly-designed political solution.

2) NSWIC strongly opposes buybacks to support the Productivity Commission’s recommendation that “the Australian Government should not delay making good on the likely shortfall from the 605 GL/y offset”.

NSWIC is strongly opposed to the recommendation that the “Australian Government should develop, without delay, a renewed water recovery program which includes staged, voluntarily purchase of water entitlements” to make up the shortfall of the 605GL.

Supply measure projects have important environmental objectives that cannot be met by simply adding more water. Simply, they are more than just an offset that needs to be reconciled. Rushing to recover water instead of progressing current and new projects risks the abandonment of worthwhile projects. This was indeed stated by the Productivity Commission in its 2018 five-yearly implementation review:



“being open to legitimate extensions of time avoids rejecting worthwhile projects or progressing projects with milestones that just cannot be met.”⁸

The Water Amendment (Recovering Our Rivers) Bill 2023 before Parliament would enable more time and flexibility for SDLAM projects. NSWIC agrees with the Commission that:

“A new agreement to deliver the Basin Plan will, if legislated, provide more time and allow new supply measures and voluntary water purchases. But this will not be enough to implement the Basin Plan in full.”⁹

NSWIC shares the concern that even under new timeframes, many projects (particularly new projects) may not be fully operational on time. However, rather than simply resorting to buybacks as the ‘give-up’ approach, the necessary measures must be undertaken to enable good community-supported projects to be implemented within a feasible timeframe (acknowledging this is likely longer than the current Bill enables).

A further concern of simply buying back the shortfall is the significant and inevitable breach of community trust leading to greater resentment. The notion of simply buying back this water to get the job done has been a commonly touted ‘stick’ approach to ‘punish’ State governments for insufficient progress. However, this is misguided, it is not the States that are punished but communities that have urged their State Governments to hurry up, and been ignored.

Put simply, buying back this shortfall has the effect of punishing Basin communities for Basin Government inaction to properly design and deliver projects.

Basin communities share the frustrations of slow or stalled government processes, poorly designed projects and rigid legislative frameworks that have prevented flexibility to date. Basin communities, including the irrigation industry, have raised concerns regarding SDLAM projects (particularly timeframes and legislation rigidity) for several years.

It is also our view that State governments, including NSW, have long flagged problems with these notified measures, and sought flexibility from the Commonwealth on both projects and timeframes.

While it is correct that communities are feeling significant uncertainty [as per the Commission’s statement in its Interim report: *“waiting until reconciliation (now proposed for the end of 2026) to address the shortfall will perpetuate uncertainty for Basin communities...”*]¹⁰, the impacts of buying back this shortfall provide the worst and most damaging kind of certainty.

NSWIC strongly urges the Productivity Commission to reconsider this recommendation, and instead focus on a feasible pathway to deliver worthwhile, community-supported SDLAM supply projects within a realistic and feasible timeframe. This could involve progressing many of the community and industry developed proposals resulting from recent DCCEEW consultation on innovative ideas to deliver the Basin Plan.

This may require further accountability measures, but it is critical that the respective jurisdiction is held to account for project delivery, and not the community.

⁸ <https://www.pc.gov.au/inquiries/completed/basin-plan/report/basin-plan.pdf> [P 19].

⁹ Interim Report – Overview [P 2].

¹⁰ Interim Report – Overview [P 2].



3) NSWIC notes community assistance programs are unlikely to replace jobs, services and regional income lost due to water recovery from farmers.

NSWIC agrees with the comment in the Interim Report that:

“Designing and implementing effective adjustment programs for regional communities experiencing structural change is notoriously difficult. There are very few examples of successful adjustment programs, both in the Basin and across the Australian economy.”¹¹

NSWIC strongly urges caution on accepting the vague Government assurances of community assistance will be a substitute for lost jobs and economic activity in regional communities that depend on irrigated agriculture.

Previous experience shows these programs do not come close to replacing the long-term, sustained economic stimulus, employment, and income in regional economies provided by a vibrant, productive agricultural sector. Often these programs are based on theoretical economic development concepts that do not hold true in practice, or become detached from economic development multiplier models when delivered (i.e., particularly in regards to grant funding).

NSWIC has been concerned by recent political commentary that suggests the economic downturn can be offset by tourism and recreation (who wants to visit a dying town, and tourism is not an option for many irrigation-dependent towns?), or building schools or hospitals (to which we ask – who will be left in town to use these taxpayer-funded services?).

Therefore, NSWIC is cautious about the PC recommendation that:

“Future water recovery should occur alongside a commitment from Basin governments to assist communities, where warranted, to transition to a future with less available water. Adjustment assistance should build on the evidence about what programs work and the regional economic context.”

While community assistance is better than no community assistance, NSWIC is very concerned decision-makers will rely on vague promises to justify water recovery, without recognising that community assistance will inevitably be little substitute for the economic activity linked to water for production in the community.

4) NSWIC agrees with incorporating complementary measures but recommends making this front and centre of Basin Plan implementation.

NSWIC agrees with the section in the Interim Report titled *“Natural resource management is important for maximising the benefits of environmental water”¹²*

NSWIC specifically agree with the statements that:

- *“Achieving the environmental objectives of the Basin Plan requires more than just environmental watering.”¹³*

¹¹ PC Interim Report [P 88].

¹² Interim Report [P 121].

¹³ Ibid [P 121].



- “Natural resource management (NRM) programs that complement environmental water planning and management are important to deliver long-term outcomes, as well as to manage changing conditions.”¹⁴
- “The Commission supports the development of a framework for integrating environmental water management and NRM, over the long-term, and including it in the BWEWS.”¹⁵

Scientists are increasingly saying other tools are needed to improve river health, for example:

“While recovering water will provide good outcomes, as a sole intervention, it is not enough to deliver the desired environmental benefits...”

... recovering water is not enough to deliver all the anticipated environmental benefits. In a highly modified system, equal attention should be given to addressing other threats that water delivery alone cannot ameliorate.”¹⁶

Given the significance of complementary measures to achieving environmental health in the Basin, the degree to which it is overlooked in the Plan to date is concerning.

In fact, now evidence is increasingly pointing towards these measures being most needed to target key degradation drivers.

For example, the NSW Chief Scientist highlighted that policy failure on water quality, not water quantity, was the root cause of the decline in the river ecosystem and consequent fish deaths at Menindee¹⁷, and called for immediate action (in the next 12 months) to address key rivers like carp management, and fishways.

Proper adaptive management would see the funding, political focus and objectives of the Plan adapt towards what are now recognised as the biggest challenges, and their solutions, based on learnings throughout the Plan’s implementation.

The failure to properly include complementary measures is perhaps one of the greatest failures of Basin Plan implementation.

NSWIC recommends the Commission strengthens this recommendation to shift complementary measures to being a central focus on the implementation of the Plan, including towards remaining shortfalls on the 605 GL and the 450 GL.

¹⁴ Ibid.

¹⁵ Ibid [P 123].

¹⁶ Lee J. Baumgartner, P Gell, J D Thiem, C Finlayson, N Ning (2019) “Ten complementary measures to assist with environmental watering programs in the Murray–Darling river system, Australia”: <https://onlinelibrary.wiley.com/doi/abs/10.1002/rra.3438>

¹⁷ https://www.chiefscientist.nsw.gov.au/data/assets/pdf_file/0005/580658/Menindee-Fish-Deaths-Report-Findings-and-Recommendations.pdf

⁵ Beyond Buybacks – Why we need more than just “just add water”. NSWIC January 2023. <https://bit.ly/BeyondBuybacks>

Specific recommendations and information requests

PC Interim Report Recommendation / Information Request	NSWIC Response
<p>Interim recommendation 2.1 The Australian Government should be more transparent, and have greater authority, over decisions for supply, constraints-easing and northern Basin toolkit measures</p> <p>The Australian Minister for Water should table in Parliament an annual report about the progress of all supply, constraints-easing and northern Basin toolkit projects. The reports should include:</p> <ul style="list-style-type: none"> •the status of the projects •funding arrangements, including amounts expended to date •reasons for deciding to continue, amend or withdraw project funding, including evidence on the cost-effectiveness of projects relative to other forms of recovery •the expected shortfall against the water recovery offset (if any) and planned actions to make good. <p>The first report should be tabled by 30 June 2024. The Water Act 2007 (Cth) should also be amended to require the Minister to table these reports.</p> <p>The Basin Plan should be amended to require the Basin Officials Committee to notify the Murray–Darling Basin Authority of material changes to supply measures within three months of those changes occurring.</p> <p>The Basin Plan should also be amended to require the Australian Minister for Water to withdraw a Commonwealth-funded supply measure if the Minister considers that the measure will not enter into operation by the deadline in s. 7.12(6) of the Basin Plan.</p> <p>These amendments to the Water Act and Basin Plan should be made as soon as possible.</p>	<p>NSWIC does not support Commonwealth-funded supply measures being withdrawn if the Minister considers that the measure will not enter into operation by the deadline. This risks the abandonment of worthwhile projects, and results in direct water recovery being used to make good on project shortfalls.</p> <p>Instead, NSWIC recommends that new and amended projects be designed and delivered within reasonable and feasible timeframes. This would enable the community-led and supported projects put forward through recent DCCEEW consultation to be considered.</p> <p>This would require legislative amendments, beyond those provided for in the Water Amendment (Recovering Our Rivers) Bill 2023 before Parliament.</p> <p>This is further detailed in the above Key Issues section.</p> <p>NSWIC supports the tabling of a report, but notes this is similar to current progress reports already produced by the MDBA (i.e. need to avoid duplication).</p>
<p>Interim recommendation 2.2 Reset and extend implementation of constraints-easing projects</p> <p>Basin governments should remove southern Basin constraints-easing projects from the supply measure package.</p> <p>The Murray–Darling Basin Authority should develop an implementation roadmap that includes:</p>	<p>NSWIC supports in-principle this recommendation, noting the importance of constraints management for environmental outcomes, river operations, and as a component of the 605 GL.</p> <p>This recommendation must however clarify how removing constraints projects from the supply measure package will impact on the volume of the 605 GL offset. The support of NSWIC for this recommendation is</p>



<ul style="list-style-type: none"> •pathways to incremental improvements in flow rates in each river, including evidence on the benefits of gradual increases in flow rates •a process to provide procedural fairness to affected landholders •a sequence for constraints-easing projects that prioritises the major tributaries prior to the River Murray. <p>Subject to making meaningful progress on incremental constraints easing, the Australian Government should assess the costs alongside the environmental and operational outcomes of further constraints easing, and consider allocating additional Water for the Environment Special Account funding towards constraints easing.</p>	<p>contingent on this.</p> <p>NSWIC notes that scientists from Melbourne University recently published an article saying:</p> <p><i>“The report goes so far as to ask whether constraints should be removed before more water is recovered. This is a question we have been asking in our research. And our results suggest the answer is yes.”¹⁸</i></p> <p>NSWIC recommends that the PC goes further to adopt a recommendation to this effect also.</p> <p>NSWIC does not support compulsory acquisition of flood easements.</p>
<p>Interim recommendation 2.3 Implement an assurance mechanism for the northern Basin toolkit</p> <p>The Australian Government should implement a monitoring framework, together with public reporting, to provide assurance of environmental outcomes for completed northern Basin toolkit projects. As part of the 2026 Basin Plan review, the Murray–Darling Basin Authority should stocktake the outcomes of the northern Basin toolkit projects along similar lines to the Sustainable Diversion Limit Adjustment Mechanism reconciliation.</p>	<p>NSWIC supports in-principle this recommendation.</p>
<p>Interim recommendation 2.4 Develop a renewed approach to water recovery</p> <p>The Australian Government should develop a renewed approach to water recovery to manage the risk of a supply measure shortfall.</p> <p>This approach should consider all water recovery options, including voluntary water purchases. However, purchasing should be undertaken gradually, to avoid driving rapid water market and community adjustment, and aligned with irrigation network rationalisation where necessary to avoid impacts on irrigation network viability.</p> <p>The Australian Government should update its water recovery strategy so it is clear how this renewed water recovery program will proceed. The strategy should outline:</p> <ul style="list-style-type: none"> •the sequencing of different water recovery targets, based on the progress of supply and constraints measure implementation •how different water recovery options will be used, based on the availability of projects, their cost-effectiveness and likely socioeconomic impact 	<p>NSWIC in-principle supports aspects of this recommendation, particularly that the approach to water recovery should consider all water recovery options. NSWIC notes that the chapter text for this recommendation also specifically identifies the need to include community and industry supported ideas. NSWIC seeks this be added to the formal recommendation.</p> <p>NSWIC has serious concerns that neither the status quo, nor the Water Amendment (Recovering Our Rivers) Bill 2023, will enable a proper or full range of water recovery options – other than just buybacks in one form or another. This is because the legislation is rigid in requiring the transfer of HEW, which rejects options put forward by communities such as:</p> <ul style="list-style-type: none"> * complementary measures * partnerships with landholders/IIOs * rules-based approaches * market options, etc. <p>This is identified as a Key Issue, see above for more details.</p> <p>NSWIC is <u>strongly opposed</u> to including</p>

¹⁸ [Murray-Darling water buybacks won't be enough if we can't get water to where it's needed \(theconversation.com\)](https://theconversation.com/murray-darling-water-buybacks-won-t-be-enough-if-we-cant-get-water-to-where-it-s-needed)



<ul style="list-style-type: none"> •when and how community adjustment programs will be implemented, based on socio economic monitoring •requirements for monitoring, evaluation, reporting and improvement on program design. 	<p>voluntary water purchases within this water recovery package. As the Interim Report makes clear, the direct water recovery component of the Plan is largely complete, with open tender rounds currently away for the final BtG targets. The purpose of direct water recovery (i.e. buybacks) was to bridge the gap to achieve SDL compliance, which is now in place.</p>
<p>Information request 2.1</p> <p>The Commission is considering the merits of establishing a new corporate Commonwealth entity to address the anticipated water recovery shortfall. The independent entity would initially adopt the existing Australian Government responsibility for water recovery, with a commercial approach to program delivery in closer partnership with Basin entitlement holders and irrigation networks. It would operate at arm’s length from government and be in place for a fixed time period.</p> <p>The Commission invites views on the merits and the design of the entity, including:</p> <ol style="list-style-type: none"> 1.the likely strengths and weaknesses of a government-owned corporate entity compared to current arrangements 2.the role of the Ministerial Council in providing high-level direction to the entity 3.the scope of its functions, including whether it should have a role implementing supply, constraints-easing and toolkit measures 4.the entity’s guiding principles, such as ensuring value for money and minimising community impacts from water recovery. 	<p>NSWIC supports in-principle this concept, provided it is adequately resourced, and operates truly independently.</p> <p>The implementation of the Plan has become highly politicised, so an independent entity at arm’s length from government could assist, provided it has sufficient autonomy and is truly independent.</p> <p>There is a significant trust-deficit in Basin communities, and a potential strength of an independent entity could be in overcoming this trust-deficit to get well-designed and community supported supply and constraints projects in place.</p> <p>The guiding principles could include:</p> <ul style="list-style-type: none"> • minimising community impacts from water recovery; • genuine and meaningful engagement and co-design with communities to have community buy-in on projects; • Relationship management with IIOs and landholders to facilitate voluntary / willing partnership opportunities; • Negotiation of voluntary flood easements or other partnership opportunities; • Assessing the feasibility of complementary measures or alternative options to achieve similar or enhanced objectives; • Coordinating water recovery projects with local NRM.
<p>Interim recommendation 3.1 Improving the effectiveness of the Basin-Wide Environmental Watering Strategy</p> <p>The Murray–Darling Basin Authority’s next update to the Basin-Wide Environmental Watering Strategy should include:</p> <ul style="list-style-type: none"> •an objective that environmental watering should seek to contribute to social or cultural environmental outcomes (where compatible with environmental outcomes) •First Nations peoples’ objectives and outcomes, under all water availability scenarios, for shared 	<p>NSWIC refers to Key Issue 4 for specific details.</p> <p>NSWIC strongly supports bringing complementary measures front and centre of future implementation of the Basin Plan, including to achieve remaining 450 GL and 605 GL objectives. True adaptive management would enable a shift from the simplistic volumetric focus, to look at water quality and the broader contributing factors to environmental health and ecological degradation.</p> <p>NSWIC recommend that this is strengthened</p>



<p>benefits from environmental water use (where compatible with environmental objectives) at the Basin-wide scale</p> <ul style="list-style-type: none"> •clear articulation, under all water availability scenarios, of the relative priority of key Basin environmental assets to achieving the overall environmental objectives of the Basin Plan and the expected outcomes set out in the strategy •clear guidance, under all water availability scenarios, on the priority for achieving flow connectivity at the system scale relative to watering within a water resource plan area •risks to achieving environmental objectives, in a changing and more variable climate. Over the longer-term, a framework for the coordination of environmental water management with natural resource management should be developed by the Murray–Darling Basin Authority and Basin state governments and included in the Basin-Wide Environmental Watering Strategy. 	<p>to not only align the BWEWS with complementary measures, but to incorporate them into the existing Plan, specifically in finishing the 605 GL and 450 GL.</p> <p>NSWIC refers to respective First-Nations peoples in regards to meeting their objectives.</p> <p>Please see below to Information Request 6.1 regarding Climate Change.</p>
<p>Interim recommendation 3.2 The adaptive management of long-term watering plans</p> <p>In the next iterations of long-term watering plans, Basin state governments should include:</p> <ul style="list-style-type: none"> •First Nations peoples’ objectives and outcomes under all water availability scenarios for shared benefits from environmental water use (where compatible with environmental objectives) for each water resource plan area. •planning and management actions to integrate the management of environmental water with natural resource management (such as habitat restoration or weed and pest control). 	<p>NSWIC strongly supports updating LTWPs with complementary measures (see above Key Issue 4).</p> <p>NSWIC notes that LTWPs have proven problematic, as they are aspirational in nature, which has led to criticism when LTWP flow targets have not been met.</p> <p>It is important that the purpose and limitations of LTWPs are made more evident to avoid misinterpretation and confusion.</p>
<p>Interim recommendation 3.3 Basin annual environmental watering priorities require review</p> <p>As part of the 2026 review of the Basin Plan, the Murray–Darling Basin Authority should assess the value of Basin annual environmental watering priorities and whether the Basin Plan requirements for these annual priorities should be amended or removed.</p>	<p>NSWIC supports in-principle.</p> <p>This should be aligned with complementary measures, as above.</p>
<p>Interim recommendation 3.4 Delivering shared benefits from the use of environmental water</p> <p>First Nations peoples’ objectives and outcomes for providing shared benefits from environmental water use for inclusion in the Basin-Wide Environmental Watering Strategy and long-term watering plans should be developed by First Nations people through genuine, resourced partnerships with the Murray–Darling Basin Authority (for the Basin-Wide Environmental Watering Strategy) and Basin state governments (for long-term watering plans), consistent with</p>	<p>NSWIC defers to the respective First Nations people on this recommendation.</p>



<p>commitments made by all governments under the National Agreement on Closing the Gap.</p>	
<p>Interim recommendation 4.1 Simplify requirements for water resource plans</p> <p>In its 2026 Basin Plan Review, the Murray–Darling Basin Authority should consider how the requirements for water resource plans could be simplified and whether some requirements should be removed or made less prescriptive and more focused on outcomes. The principle of subsidiarity should be a guiding consideration in this review, given many of the arrangements included in the plans should remain largely the responsibility of state governments, with the implementation of sustainable diversion limits being a core purpose of water resource plans.</p>	<p>NSWIC supports in-principle.</p> <p>NSWIC agrees that the WRP requirements are overly prescriptive. At its core, the WRP needs to demonstrate how the Basin Plan is being complied with in that river valley. Ultimately, this is demonstrated in SDL compliance, and the Water Sharing Plan.</p> <p>Lengthy, prescriptive, and cumbersome requirements have contributed to delays in WRP development and accreditation, and taken up significant departmental resourcing.</p>
<p>Interim recommendation 4.2 A risk-based approach to amending water resource plans</p> <p>The Water Act 2007 (Cth) should be amended to allow the accreditation of amendments to water resource plans to be fast-tracked, where those amendments are low-risk and clearly comply with the Basin Plan.</p>	<p>NSWIC supports in-principle but urges caution on what constitutes a low-risk amendment. This should be limited by criteria, such as to non-material changes (i.e. such as typos).</p>
<p>Information request 4.1 Reporting on compliance and other arrangements</p> <p>The Commission invites comments on whether Basin state governments should continue to be required to report on compliance with their water resource plans (Murray–Darling Basin Plan, Schedule 12, Matter 19), and on any other ways the reporting arrangements for water resource plans should be improved.</p>	<p>At its core, compliance with the Basin Plan should be able to be demonstrated through SDL compliance. This ultimately is the main indication of Basin Plan compliance.</p> <p>Significant processes are now in place to account for, and report on, SDL compliance. These reports are often published very late after the respective water year.</p> <p>There needs to be increased reporting on the positive outcomes of the Basin Plan, to overcome risk of public perception seeing the Plan as a failure.</p>
<p>Interim recommendation 5.1 Strengthen the roles of Aboriginal and Torres Strait Islander people in the Basin Plan</p> <p>In line with the priority reforms committed to under the National Agreement on Closing the Gap, Basin state and territory governments should:</p> <ul style="list-style-type: none"> • publish the input and advice received from Aboriginal and Torres Strait Islander people and organisations on draft water resource plans • publicly report on how the advice is considered, actioned and reflected in finalised water resource plans. <p>In addition, the Murray–Darling Basin Authority should:</p> <ul style="list-style-type: none"> • in partnership with Aboriginal and Torres Strait Islander people, develop a framework for 	<p>NSWIC refers to the respective First-Nations people on this recommendation.</p>



<p>monitoring and reporting on how Basin governments engage with Aboriginal and Torres Strait Islander people on Basin Plan matters. This should be in place before the 2025 evaluation of the Basin Plan</p> <ul style="list-style-type: none"> • annually report on Aboriginal and Torres Strait Islander engagement activities undertaken by Basin governments that relate to water management in the Murray–Darling Basin • consider – in partnership with Aboriginal and Torres Strait Islander people – the merits of establishing a new Basin-wide body to represent Aboriginal and Torres Strait Islander people’s water interests in Basin Plan decision-making. <p>All Basin governments should:</p> <ul style="list-style-type: none"> • actively pursue opportunities to work in formal partnership with Aboriginal and Torres Strait Islander people on the implementation of, and shared decision-making about, the Basin Plan and provide funding and capacity strengthening support to these partnerships • work in partnership to develop, then make public, their Aboriginal and Torres Strait Islander engagement intentions early, including for the upcoming 2025 Basin Plan Evaluation and 2026 Basin Plan Review. 	
<p>Information request 6.1 Embedding climate change science into the Basin Plan framework</p> <p>The Commission is considering whether the Water Act 2007 (Cth) places sufficient emphasis on the application of climate change science to the development and implementation of the Basin Plan. For example, should section 21 of the Water Act, which is about the general basis on which the Plan is made and updated, be amended to make clear and explicit that the best available science about the impact of climate change on water availability, including climate projections, is part of the scientific knowledge on which the Plan should be based?</p>	<p>While NSWIC supports using the best-available and most up-to-date data, including on climate, NSWIC is of the position climate change is best (and is already) factored in through the state-level Available Water Determination (AWD) process in real-time.</p> <p>This process sees water allocated based on water availability, according to a hierarchy specified in state legislation (NSW), with critical needs (such as town water supplies and the environment) prioritised, while water on entitlements (both irrigation and environmental) are lower-priorities.</p> <p>Under this status quo, as already specified in Cth legislation (Sch 3A), the risk of drought and climate change falls on water entitlement holders. This means, under climate change scenarios of less water availability, there will already be a diminishing reliability of water entitlements (for both irrigators and environmental water holders). This also means a diminishing effectiveness of buybacks as a policy instrument, and calls into question this policy intervention during droughts.</p> <p>NSWIC also notes that climate change will impact on all water users (environment, irrigation, town supplies, etc). Under many climate change scenarios, it will not be possible to maintain the rivers and environments of the past. This is irrespective</p>



	<p>of the amount of water recovery. Scientists from Melbourne University recently stated:</p> <p><i>“But climate change simply adds to the need to have difficult conversations around the future of communities along the Murray-Darling. Focusing on whether buyback targets have been achieved does not resolve this. In many regions, there will not be enough water, with or without buybacks, to achieve current management objectives.”¹⁹</i></p> <p>Every water user will need to adapt and change. This means difficult decisions will need to be made, including identifying a vision for what is possible, what’s not, and at what cost. NSWIC is of the view that the risks of climate change should not solely fall on the agricultural industry.</p> <p>NSWIC also urges caution on how climate data is used (and which data). This is due to a number of uncertainties in modelling scenarios, data limitations, and time periods for climate projections.</p> <p>Finally, managing water supply under climate change scenarios goes well beyond the ‘rebalancing’ water shares function of the Basin Plan. This will require all ‘tools in the box’ to be drawn upon. For example, there will need to be increased focus on town water supply infrastructure, such as weir and infrastructure upgrades (i.e. Bourke Weir only holds up to 6 months of town water supplies).</p> <p>NSWIC refers to the NSWIC Climate Change Report for more information.²⁰</p>
<p>Interim recommendation 6.1 Specific measures or targets for evaluating climate change resilience</p> <p>The Murray–Darling Basin Authority should set out how it evaluates whether water-dependent ecosystems are resilient to climate change, including by specifying which targets are relevant to climate change resilience and how progress against these targets is monitored. When reviewing the Basin Plan in 2026, the Murray–Darling Basin Authority should also consider whether some of this information should be integrated into the Basin Plan.</p>	<p>See above.</p> <p>Under climate change scenarios, the environment too will adapt and change. It will not be possible to realise rivers of the past under many climate change scenarios, because there simply won’t be the available water.</p> <p>Instead, focus must be on difficult decisions as to what our society want rivers to look like, within the realms of what’s possible under climate change scenarios, and at what cost. Failure to engage in this, and a relentless pursuit to maintain rivers of the past, will be costly and likely prove ineffective anyway.</p>
<p>Interim recommendation 6.2 Publishing material used for decisions</p>	<p>Support.</p>

¹⁹ [Murray-Darling water buybacks won't be enough if we can't get water to where it's needed \(theconversation.com\)](https://theconversation.com/murray-darling-water-buybacks-won-t-be-enough-if-we-can-t-get-water-to-where-it-s-needed)

²⁰ <https://www.nswic.org.au/wp-content/uploads/2022/11/2022-11-11-Climate-Change-Report-Final.pdf>



<p>Government agencies should publish in regular scheduled reports the data, modelling outputs and government-commissioned research that informs their decisions about water management in the Basin. This should include any decisions related to resetting sustainable diversion limits.</p>	
<p>Interim recommendation 6.3 Strategic coordination of knowledge generation and sharing activities</p> <p>The Australian Government should establish a role for overseeing and coordinating knowledge generation and knowledge sharing across the Basin.</p>	<p>Support – but question whether this role was intended for the Inspector-General of Water Compliance.</p>
<p>Information request 7.1 Options to improve water quality and availability in the northern Basin</p> <p>The Productivity Commission invites participants to comment on whether the Murray–Darling Basin Plan should do more to improve water quality and ensure critical human water needs are met in the northern Basin. What options should be considered by the Murray–Darling Basin Authority in the 2026 Basin Plan Review?</p>	<p>Strongly support the intent, but subject to appropriate and fit-for-purpose policy instruments. Buybacks are not a solution to this.</p> <p>The NSW Chief Scientist noted in the review into the recent Menindee Fish Deaths “<i>water policy and operations focus largely on water volume, not water quality</i>”.</p> <p>Indeed, the simplistic focus on water volumes has distracted from serious action on water quality and town water supplies.</p> <p>The situation for town water supplies, particularly in the Northern Basin, is dire.</p> <p>NSWIC refers to the submission of the Bourke Shire Councils towards the current Senate Inquiry²¹:</p> <p><i>“Without additional water security, the Bourke community is unfairly exposed and vulnerable to the forecasted extreme summer(s) ahead, noting that once water ceases to flow over the Bourke Weir, the community has but six (6) month’s supply of water from the Bourke Weir Pool. Since the Plan implementation Bourke has sadly endured 17 years of being unsupported in this space.”</i></p> <p>There is a technical question of whether this should be within the Basin Plan, or a responsibility of another instrument.</p>
<p>Interim recommendation 8.1 A comprehensive review of trading rules in the Basin Plan</p> <p>The Murray–Darling Basin Authority (MDBA) should ask the Australian Competition and Consumer Commission (ACCC) to conduct a comprehensive review of the Basin Plan trading rules. The review should consider, among other</p>	<p>Support – noting need to avoid duplication with recent ACCC review into water markets.</p>

²¹

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/MDBAWaterBill2023/Submissions



<p>things, how unnecessary trade restrictions should be identified and removed. The Water Act 2007 (Cth) should be amended to enable the ACCC to provide advice to the MDBA about the trading rules on its own initiative. The ACCC should notify the MDBA before preparing any such advice.</p>	
<p>Interim recommendation 9.1 Extending oversight of intergovernmental funding agreements relevant to Basin Plan implementation</p> <p>The Australian Minister for Water should prescribe by regulation the additional intergovernmental funding agreements that the Inspector-General of Water Compliance should oversee. The Australian Government Department of Climate Change, Energy, the Environment and Water should consult with Basin state governments, the Inspector-General of Water Compliance and other interested parties to determine which new and existing agreements should be prescribed and make public the rationale for including or excluding each agreement in the Inspector-General of Water Compliance's remit.</p>	N/A
<p>Interim finding 9.1 Information about Basin Plan funding, processes and outcomes can be difficult to access</p> <p>Information about Murray–Darling Basin water management is fragmented and difficult to navigate. This can cause confusion about which agency to go to for information. It can also mean that information reported sometimes differs across agencies. This makes it difficult for communities to understand and engage with water policy and practice. Inconsistencies in information can undermine public confidence and trust in Basin institutions and instruments.</p>	<p>NSWIC agrees that information about Basin water management is fragmented and difficult to navigate.</p> <p>NSWIC notes a number of recent attempts to make a 'single source of truth', such as the role now held by the BoM. NSWIC cautions against creating multiple 'single' sources of truth.</p> <p>NSWIC notes the success of the WaterNSW platform 'Water Insights' to gain water information, and suggests this is a positive model to inform future Basin-wide models.</p>
<p>Interim recommendation 9.2 Improving the transparency of Basin Officials Committee</p> <p>The Basin Officials Committee (BOC) should be more transparent. The BOC should publish:</p> <ul style="list-style-type: none"> •meeting agendas, communiqués and information on meeting outcomes •BOC decisions and the reasons for those decisions •formal directions to BOC from the Ministerial Council •information on BOC's strategic priorities, governance practices and sub-committees. <p>The Water Act 2007 (Cth) should be amended to enable the appointment of an independent Chair to the BOC.</p>	Support.
<p>Interim finding 9.2 Engagement by government agencies on Basin Plan matters is not well coordinated</p> <p>There are many Australian Government and Basin state agencies that engage with the community on matters related to the Murray–Darling Basin Plan.</p>	Strongly support.



<p>These engagement processes are generally not well coordinated, which can frustrate participants. More joined-up engagement efforts could reduce costs for participants and governments and allow for a more holistic consideration of issues.</p>	
<p>Interim finding 9.3 Well defined local outreach can be an effective engagement approach</p> <p>Local, place-based engagement mechanisms can be an effective way of ensuring community views are sought, responded to, and considered by decision-makers. A permanent local presence in communities can help foster community understanding of water policy processes and build relationships and trust. The Commonwealth Environmental Water Holder Local Engagement Officer model provides a good template for effective local engagement.</p>	<p>Support.</p>
<p>Interim recommendation 9.3 Strengthening the community voice in Basin decision-making</p> <p>The Basin Community Committee should have a standing agenda item at Basin Officials Committee meetings to provide input and advice on matters from a community perspective. The Basin Officials Committee should publicly report on how this input and advice has been considered and has influenced decision-making.</p>	<p>Support.</p>

Conclusion

NSWIC staff or members are available to discuss any of the matters raised in this submission further.

Kind regards,

NSW Irrigators' Council.