

Murray-Darling Basin Royal Commission

Submission to the Issues Paper



SOUTH AUSTRALIAN WINE INDUSTRY
ASSOCIATION INCORPORATED

SUBMISSION OF: SOUTH AUSTRALIAN WINE INDUSTRY
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Submissions by 30 April 2018 to:
Murray–Darling Basin Royal Commission
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Please note: SAWIA contacted the MDBRC office and requested and was granted an extension to 4 May 2018.

Executive Summary

The South Australian Wine Industry Association (SAWIA) has supported the existence and implementation of the current Murray Darling Basin Plan (the Plan) based on the premise that it is a comprehensive strategy, based on the best available science, which should restore water resources to a sustainable position for the long-term benefit of all Basin communities and industries.

SAWIA is concerned by any reports of activities that might prevent the Plan from being implemented in a way that will achieve the outcomes that were intended.

The Issues Paper includes some general references to “reports” and “allegations” relating to the Plan, but does not provide detailed supporting information, which we hope will emerge as the Commission’s work progresses. Nevertheless, such preliminary references at the current time without clear factual details may increase the risk of undermining both confidence in the Plan, and the collaborative spirit that is required by all Basin States in implementing the Plan.

SAWIA makes the following key points in relation to the specific matters raised in the paper:

- The Plan must be based on the best available science, and where new objective evidence comes to light, this should be incorporated.
- Any changes in the Plan’s Sustainable Diversion Limits (SDLs) should always be targeted at improving outcomes that are consistent with the objectives of the Plan.
- The apparent ‘disagreement’ amongst ‘experts’ needs to be examined in detail and resolved on the basis of objective scientific evidence.

About the South Australian Wine Industry Association Incorporated

The South Australian Wine Industry Association Incorporated (SAWIA) is an industry employer association representing the interests of wine grape growers and wine producers throughout the state of South Australia.

SAWIA is a not for profit incorporated association, funded by voluntary member subscriptions, grants and fee for service activities, whose mission is to provide leadership to South Australian grape and wine industry businesses so they achieve great things that they couldn’t by themselves.

SAWIA membership represents approximately 96% of the grapes crushed in South Australia and about 40% of the land under viticulture. Each major wine region within South Australia is represented on the board governing our activities.

SAWIA has a strong track record as an industry leader and innovator in many areas. SAWIA pro-actively represents members and the greater wine industry with government and related agencies in a wide variety of aspects of business in the wine sector.

SUBMISSION

SAWIA is pleased to be able to comment on the Issues Paper that was published on the [website](#) of the Murray-Darling Basin Royal Commission (MDBRC) in December 2017.

Background

The South Australian (SA) wine sector has historically been the heart of the Australian Wine Industry with about half of Australia's vineyard area and total grape harvest. Many of the major Australian wine companies' head offices are located in SA, and SA wineries export about 60% of Australia's total exports worth about \$1.623 billion in 2017. Wine is now South Australia's largest single export sector.

A significant proportion of the South Australian wine industry is reliant on the health of the River Murray water resource for its long-term viability and needs certainty about supply. When compared with river communities in Victoria and New South Wales, those in South Australia are more vulnerable to the impacts of possible degradation of the Murray River in terms of both quantity and quality of water.

Therefore, the South Australian Wine Industry Association (SAWIA) has supported the existence and implementation of the current Murray Darling Basin Plan (the Plan).

SAWIA supports the provision of scientifically-based environmental flows in each relevant catchment, determined under the water allocation processes as they are currently structured, and the principle that extraction from groundwater systems must not exceed replacement, so that the resource is maintained over the long-term. The industry also supports the use of a range of measures to address salinity in relevant catchments.

SAWIA supports a wide range of mechanisms to obtain the necessary environmental outcomes to be achieved by the Plan, including regulation, market-based instruments, voluntary codes, environmental management systems, industry training and education, and research and development.

SAWIA's support for the Plan was based on the premise that it was a comprehensive strategy, based on the best available science, which should restore water resources to a sustainable position for the long-term benefit of all Basin communities and industries.

Comments

In general terms, SAWIA is concerned by any reports of activities that might prevent the Plan from being implemented in a way that will achieve the outcomes that were intended. Furthermore, SAWIA is concerned that such reports may also contribute to undermining of the collaborative spirit that is required by all Basin States in implementing the Plan.

We provide below some comments on some of the specific matters raised in the Issues Paper according to the headings.

OVERVIEW

This section contains some broad statements of a general nature, some examples being "thousands of businesses" reliant on Murray River water, which is "important for tourism", and "current public discussion regarding the adjustment mechanism for SDLs". These

general statements tend to create doubt and reduce confidence in the Plan's objectives and it would be beneficial to have specific inclusion of the facts or an explanation of the issues.

ESTABLISHMENT OF THE ROYAL COMMISSION

It would be helpful to have a concise list and summary of the "allegations of illegal take" that are being considered by the MDBRC.

POWERS AND NATURE OF THE ROYAL COMMISSION

SAWIA understands the powers of the MDBRC and recognizes the risk that any remedies to adverse findings may or may not occur in the various jurisdictions, and that this could be a source of frustration and cynicism in the process itself.

TERMS OF REFERENCE

All of the issues listed in this section are matters that are of interest to the wine sector and SAWIA expects and hopes that all of these are achieved. For example, SAWIA expects that all jurisdictions will be compliant with the requirement for accredited water resource plans by 1 July, and we also hope that the Plan will achieve its objects and desired outcomes.

COMMUNITY CONSULTATIONS

SAWIA was disappointed that consultations on the Terms of Reference was very limited in terms of location options and with very short notice. We hope that future consultations are planned with more lead time and offer attendance at a much wider range of locations, including Adelaide.

AREAS OF PARTICULAR FOCUS

28. a) Process used to determine the "Environmentally Sustainable Level of Take"

The Water Act requires the MDBA to determine an environmentally sustainable level of take (ESLT) for the Basin's water resources, which must be reflected in the SDL for the Basin.

SAWIA has presumed that the SDLs had been developed with reference to the best-available scientific evidence, and the wording in this section seems to cast some doubt on that premise. Furthermore, there appears to be some implied doubt about the method used in determining the ESLT, and requires further explanation.

b) 36 Supply Measure Projects

While the paper states that it is "clear that there is some dispute" about the supply measures in relation to increasing the Basin Plan SDL, it would be helpful to provide summary details of any disputed facts. The fundamental issue here is more about whether any change in the SDL arising from these supply measure projects will have a negative outcome.

c) Recovery of 450GL for Enhanced Environmental Outcomes

The paper refers to "limited progress" and "some disagreement" amongst experts that this additional 450GL of water can be recovered in a way "that does not result in negative socio-economic outcomes for communities." It would be more helpful to clearly articulate the evidence for this and the nature of any disagreements.

We also note that the information contained in the Ernst & Young report that was released in January 2018 is very complex and quite difficult for us to digest, and a better explanation of the material issues and impacts would be helpful.

d) Water recovery to date

Once again, it would be helpful to have a succinct explanation of the claimed “disagreements” amongst experts regarding the water recovery to date. If there is new information available that allows for more accurate estimation of the water balance in the Basin, then this should be clearly articulated and possibly considered for inclusion in any potential review of the Plan.

e) Northern Basin Review

We made a submission to the Murray Darling Basin Authority on the proposed amendments and could not support them on the basis that we believed that the amendments had not been framed with due consideration and modelling of the economic and social impacts on the communities in the southern basin.

g) Illegal Take

We would be concerned about any illegal activities regarding the use of water resources of the Murray Darling Basin. We note the comment that “... the Commission will not be interfering, or taking any steps to interfere, with any police investigation or State based prosecution that may be ongoing in relation to any such matters.” We would ask whether the Commission will be recommending any actions to the relevant jurisdictions if potentially illegal activities are identified.

h) Irrigated Crops

In considering the use of water for irrigated crops, we believe that it is important to consider the complete life-cycle impacts and benefits of that use with consideration of economic, environment, and social perspectives.

k) Deadline for Water Resource Plans

We would be concerned if all of these plans are not submitted according to the timelines required for accreditation as this would also risk undermining the collective goodwill across the Basin communities and stakeholders. It would be helpful to provide details of the “reports” referred to in the paper and an assessment of their veracity.

l) Environmental and Ecological Health of the Murray-Darling Basin

We are concerned about the claims of “disagreement” amongst experts and would like to see an objective assessment of the various claims with due consideration of the best-available scientific evidence.

End of submission