



Lachlan Valley Water Inc

Sustainable, productive and efficient water use in the Lachlan Valley

1 June, 2018

Murray-Darling Basin Royal Commission
GPO Box 1445
ADELAIDE SA 5001

By email: mdbroyalcommission@mdbrc.sa.gov.au

Dear Commissioner,

Re: Submission to Murray-Darling Basin Royal Commission

Lachlan Valley Water (LVW) welcomes this opportunity to make a submission to the Commission. LVW represents 550 individual irrigator members in the Lachlan Valley, including both surface water and groundwater users, and our members represent all categories of licences except those held by environmental water managers. This submission has been prepared on behalf of our members, however, individual members also reserve the right to make their own independent submissions.

The Lachlan catchment is primarily a terminal system that flows into the Murrumbidgee River only in large flood events, and is acknowledged by the MDBA¹ as a disconnected catchment. Our submission addresses the specific areas of the terms of reference which have an impact on the Lachlan catchment.

- 1. Whether the Water Resource Plans required to be prepared under the Basin Plan will be prepared in a form compliant with the Basin Plan and accredited by 1 July 2019**
and
- 2. If any Water Resource Plans are unlikely to be delivered in full and in a form compliant and consistent with the Basin Plan, the reasons for this.**

NSW, with 22 Water Resource Plans (WRPs), faces the biggest challenge to complete all WRPs by 1 July 2019. LVW considers that NSW has adopted a comprehensive planning process, and that there is a genuine effort by all parties to complete the plans on schedule, but acknowledges the volume of work required creates a major risk that there will not be sufficient time to fully consider all issues, to undertake public exhibition of the draft plans, and to then finalise the Plans and gain accreditation.

A key issue with Water Resource Plans (WRP) is that while adaptive management is one of the principles of the Basin Plan, the WRPs are prescriptive regulatory documents, and it must be recognised that a rigid, highly standardised approach will not achieve social, economic and environmental outcomes. It is important for our members that WRPs enable flexible management that takes into account the variation between water sources and evolving knowledge.

¹ <https://www.mdba.gov.au/sites/default/files/docs/summary-environmental-water-recovery-estimates-as-at-31-december-2017.pdf>

In our view the frequent restructuring of the NSW department responsible for water management is one of the contributing factors to why WRPS may not be delivered on time, along with the numerous reviews of various aspects of the Basin Plan and the large number of competing water policy and management issues that have arisen within the last 2 years.

3. Whether the Basin Plan in its current form, its implementation, and any proposed amendments to the Plan, are likely to achieve the objects and purposes of the Act and Plan, and the ‘enhanced environmental outcomes’ and additional 450 GL provided for in s. 86AA and (3) of the Act.

Environmental Outcomes

The MDBA has recently published a Basin Plan Evaluation 2017, which acknowledges that a “healthy working Basin may take many years to achieve, but at this early stage there are good signs the Basin Plan is working”. It also notes that there have been over 750 environmental watering events since 2012/13 and that positive ecological responses from birds, fish and vegetation have been seen at the local level. The report does acknowledge that Basin scale outcomes will take longer.

The effect of implementing the Basin Plan must also be considered in context with other climatic influences such as the Millenium drought. This saw the lowest water inflows in the Basin on record, of 7,000 GL in 2006, and was particularly severe in many NSW valleys between 2003 and 2010. In the Lachlan there was only 19% total general security allocation during that 7 year period, and environmental assets likewise suffered due to the lack of flows.

Any assessment of whether the Basin Plan is achieving its objectives and the ‘enhanced environmental outcomes’ must factor in the climatic variability in the Murray Darling Basin and therefore the extreme flow variability that naturally occurs in the Basin rivers, and should not confuse conditions caused by a naturally occurring dry sequence with a failure of the Plan.

Water Recovery

Progress in water recovery is well advanced, with the Basin Plan Evaluation stating it has reached 77% of the target, and the MDBA noting that the SDL adjustments proposed under the Northern Basin Review and SDL Adjustment Measures will mean that recovery of the 2750 GL is almost complete.

LWV’s view is that it requires more than simply volumes of water to achieve the environmental health of the Murray Darling Basin, and that using the Northern Basin ‘toolkit’ measures and the SDL Adjustment Measures to maximise the efficiency of delivery for environmental water, and to make inroads in dealing with cold water pollution, controlling pest species such as carp, and improve the management of riparian zones and wetlands, will continue to enhance environmental health as well as optimising triple bottom line outcomes.

However, the Basin Plan Evaluation 2017 also acknowledges that the effects of water recovery are likely to be unevenly spread across communities, and the Northern Basin socio-economic review indicated some high impacts felt in smaller, irrigation-dependent communities.

An example of this is the Commonwealth’s pursuit of a “no regrets” buyback policy in the early phase of water recovery before any SDL reduction targets were set. This saw an untargeted approach resulting in large volumes of water entitlement being purchased in some regions. In the Lachlan the Commonwealth started purchasing water in 2008/09 and by June 2010 had recovered 82,000 ML, or 92% of its current Lachlan holdings. Most of this was purchased from the Hillston area and represented 35% of entitlement in that region, with significant social and economic impacts.

5. If the Basin Plan is unlikely to achieve any of the objects and purposes of the Act and the Basin Plan and/or the ‘enhanced environmental outcomes’ and the additional 450 GL, what amendments should be made to the Basin Plan or Act to achieve these objects and purposes, the ‘enhanced environmental outcomes’ and the additional 450 GL.

As noted above, the Basin Plan is only part way through its implementation and LVW considers that it would be hasty to make amendments now before the management of environmental water is further developed, the SDL Adjustment Measures and ‘toolkit’ measures are implemented and there is additional monitoring and assessment of environmental indicators to provide more comprehensive information on Basin-wide outcomes.

Additionally, the Productivity Commission is currently undertaking a 5 year assessment of the Basin Plan and LVW submits that this review will also cast light on the progress of the Basin Plan and its ability to achieve the objects and purposes of the Act.

Additional 450 GL

The commitment to recover an additional 450 GL of water to meet enhanced environmental outcomes is a concern to many irrigation communities because of the potential for additional social and economic impacts. While the requirement under the Act is for neutral or improved socio-economic impacts, our concern is that it employs a simplistic definition of socio-economic impacts, such that the participation of a licence holder in water efficiency project is deemed to be equivalent to a neutral or improved socio-economic outcome.

LVW acknowledges that the Ernst Young Report indicates that recovery of the 450 GL is possible using off-farm recovery, efficiency measures and urban recovery, and welcomes further assessment of these proposals. However, we are concerned that the report indicates significant recoveries of 10 – 21 GL from the Lachlan are possible, in view of the fact that consumptive usage in the Lachlan has already decreased and is not reaching the diversion limit allowed in the Water Sharing Plan, being some 8% below that level. The Lachlan Regulated Water Sharing Plan² reserves 75% of the long term average annual flow for the environment, and the NSW and Commonwealth Government environmental water holdings account for a further 5%, taking the proportion of the average annual flow committed to the environment to 80%.

Additionally, we question the effectiveness of recovering water from the Lachlan for enhanced environmental outcomes, primarily to be achieved in South Australia as specified by s. 86AA (2) of the Water Act, when the Lachlan does not physically join the Murrumbidgee except in a large flood event, and cannot deliver water to South Australia.

7. The likely impact of alleged illegal take or other forms of non-compliance on achieving any of the objects and purposes of the Act and the Basin Plan, and the ‘enhanced environmental outcome’ and the additional 450 GL, referred to above.

and

8. In relation to any found instances of illegal work or take, whether appropriate enforcement proceedings have been taken in respect of such matters, and if not why.

LVW does not in any way tolerate water theft and understands that following the ABC 4 Corners program WaterNSW has commenced legal action against two licence holders in the Barwon-Darling.

² Note to clause 16 (1) (b) Water Sharing Plan for the Lachlan Regulated River Water Source 2016

However, to infer that the allegations of water theft on the Barwon-Darling mean that the whole Murray-Darling Basin Plan is being undermined is wrong. Some of the statements on the 4 Corners program, and in other media reporting, indicate a lack of understanding that the existing water sharing plans in NSW already reserve the majority of the water in the state's rivers for the environment and that a water access licence only entitles the licence holder to a share of the resource after higher priority requirements are met. In the case of the Barwon-Darling the water sharing plan provides that only 6% of the long term average annual flow in the Barwon-Darling is allowed to be extracted and 94% is reserved for the environment³.

Following the inquiries in 2017 the NSW Government has developed a wide-ranging Water Reform Action Plan to implement the recommendations from the independent Matthews Inquiry, and has transferred all compliance responsibilities to a Natural Resources Access Regulator, as well as establishing new standards for measurement of water take.

LVW believes that the measures NSW is implementing will comprise an effective metering and compliance system so that all water users, and the wider community, can have confidence that all water usage is accurately measured, properly audited and transparently reported.

Please do not hesitate to contact us if you have any queries about the matters raised in this submission.

Yours sincerely

Mary Ewing
Executive Officer

³ Note to clause 17 (1) (b) (i) Water Sharing Plan for the Barwon-Darling Unregulated Water Source 2012