

Submission to

Murray-Darling Basin Authority

Basin-wide Environmental Watering Strategy

140924

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Introduction

NSW Irrigators' Council (NSWIC) represents more than 12,000 water access licence holders across NSW. These licence holders access regulated, unregulated and groundwater systems. Our Members include valley water user associations, food and fibre producers, irrigation corporations and commodity groups from the rice, cotton, dairy and horticultural industries.

This submission represents the views of the Members of NSWIC with respect to the Murray-Darling Basin Authority (MDBA) *Basin-wide Environmental Watering Strategy*. However, each Member reserves its right to independent policy on issues that directly relate to their areas of operation, or expertise, or any other issues that they may deem relevant.

General Comments

While NSWIC acknowledges that the draft Basin-wide Environmental Watering Strategy (draft Strategy) is an improvement on earlier versions, further amendments are necessary to enhance its effectiveness and efficiency. In its current form, the Council is not convinced that it will provide Basin States and environmental water managers with an effective tool to plan and manage environmental water across the entire Murray-Darling Basin.

The Council is concerned that the prescriptive targets in regard to minimum stream flow rates and end of system lake levels in spite of Australia's extreme variability of climatic conditions will seriously impede effective environmental watering. It will be important to provide Basin States and environmental water managers with flexibility to best deploy environmental water and fulfill their legislative requirements.

The management of water in the Murray-Darling Basin has a long and successful history which is built on a sophisticated set of rules and regulations. These regulations have enabled an effective management of water even during times of severe drought. The Council considers it vital that the importance of the current regulatory framework is acknowledged within the draft Strategy and any suggested amendments are only considered with stakeholder input.

Stakeholder engagement throughout this process will be crucial and hence deserves greater emphasis within the draft Strategy document. In addition, a robust and ongoing stakeholder engagement framework will need to be developed to further assist the Basin states and the environmental watering managers to identify risks and opportunities as well as planning, collaborating and delivering environmental water.

These amendments will significantly improve the Basin-wide environmental watering strategy and 'reality test' those components of the draft Strategy that are achievable and those which will remain ambit claims.

Specific Comments

NSWIC makes the following specific comments to the draft Strategy;

Prescriptive Targets

NSWIC is extremely surprised that the environmental targets outlined on page viii of the draft Strategy are so highly prescriptive. At this stage, the Council is not clear which methodology was used to derive these targets and whether the outcomes are based on specific modeling parameters. The Council also seeks further detail on the rationale behind these targets to ensure that they are not simply a placeholder term for 'drought proofing' the Basin's environmental assets.

Not only does NSWIC question the need for such rigid targets, but also points out that seasonal allocations made against the entitlements held by the CEWH and other environmental managers will vary each year in line with prevailing water availability. As such, NSWIC is concerned that some of the prescriptive targets outlined in the draft Strategy are not achievable. The Council believes that greater flexibility needs to be provided to the Basin States and environmental water managers to deploy the available environmental water as effectively and efficiently as possible.

Furthermore, we question whether these prescriptive targets are contrary to the needs of the river systems and wetlands which have to periodically undergo drying sequences. By keeping river systems at a rigid minimum flow level, the natural flow pattern of the river system would be significantly altered, leading to possible permanent changes in the environment and perverse environmental outcomes.

Finally, the Council is concerned about some of the specific numerical outcomes that are described within the draft Strategy. As an example, the draft Strategy seems to suggest that the decline in waterbirds (74 per cent since 1983) is solely a result of water resource development¹. To draw such causality ignores that fact that the decline in waterbird numbers is a result of many other factors impacting on them during that time. The Council believes that the draft Strategy must either acknowledge these external factors or remove such statements, as they indicate that the MDBA is, by default, opposed to productive use of water resources.

NSWIC submits that the prescriptive numerical targets in the draft Strategy be removed and replaced by more outcome based targets that provide greater flexibility to the Basin States and environmental water managers.

NSWIC submits that the MDBA must provide more detail on the methodology that derives the current prescriptive targets so that stakeholders are able to assess their effectiveness.

Benchmarking

NSWIC cannot assess what the prescriptive targets in the draft Strategy are being compared to, as the document does not include clearly defined benchmark values. For example, it is completely unclear to NSWIC what baseline levels a 10% overall increase in

¹ page 10

flows in the Barwon-Darling, a 30% overall increase in flows in the Murray River, and a 30% to 40% increase in the flows to the Murray mouth should be compared with².

Without an understanding of what benchmarks these increases in flow regimes, fish and bird numbers are being compared with, we believe an accurate evaluation of the outcomes is unachievable.

NSWIC submits that the draft Strategy must include well defined and clearly understood benchmark values for each strategy target to enable a meaningful assessment of the results of implementation.

In addition, the draft Strategy seems to suggest that regulation of the Murray-Darling river systems is the sole cause of environmental degradation. Such an assessment is simply not correct. Regulation of the Basin river systems has been a reality for nearly 100 years and has been of crucial importance to ensure adequate water supply through periods of significant drought. This was most evident during the millennium drought when regulation ensured critical water supply to various parts of the system.

As such, we urge the MDBA to acknowledge the importance of existing regulation and approach any further amendments to the current regulatory framework with caution as it could lead to wide scale and significant impacts. Furthermore, the draft Strategy should, for the avoidance of any doubt, state clearly that it is not the MDBA's intention to amend the current regulatory framework to simply achieve a 'drought proofing' of the environmental assets in the Basin.

NSWIC submits that the draft Strategy must acknowledge the importance of the current regulatory framework which governs the river system in the Murray-Darling Basin. Given its importance, any amendment to the system must be approached with great caution.

Just Adding Water

Despite the years of the MDBA drafting the Basin Plan and other related water management strategies and frameworks, NSWIC is disappointed that the Authority still proposes that a strategy of simply 'adding water' will solve environmental issues and meet the Plan's desired environmental outcomes. The document contains countless examples where the Authority suggests that 'additional watering is required' even though no data is provided to substantiate such claims. NSWIC requests that the MDBA must support the need for additional watering with a solid framework and comprehensive data which outlines how it will achieve the environmental outcomes that are being sought.

Given the accumulation of knowledge and experience in environmental water management, we justifiably expected that more sophisticated environmental solutions would be given precedence over just 'adding water' to the Basin river systems. These sophisticated environmental solutions would, for example, highlight the risks and limitations of the draft Strategy to wider natural resource management strategies.

The Council requests that the draft strategy must include a discussion on suitable 'non-flow' measures that are able to achieve the same (if not improved) environmental outcomes at lower cost. Without such an assessment, the Council is forced to draw the

² p.20

conclusion that it is not environmental outcomes that are being sought, but rather politically derived volume-based results.

NSWIC submits that the MDBA must support the need for additional watering with a solid framework and comprehensive data.

NSWIC submits that the draft Strategy must remain focused on achieving environmental outcomes and therefore be amended to incorporate non-flow measures and other sophisticated approaches that meet the environmental watering targets.

Social and Economic Impacts

NSWIC is disappointed that the Authority has selectively included social and environmental outcomes in the draft Strategy in support of their own work. This is evident in the gross overstatement of economic and social value of the implementation of the Strategy, and the achievement of environmental targets.

An estimated 430,000 Basin residents participate in recreational fishing.....This activity generates around 10,950 jobs in the Basin and contributes \$1.3 billion to the Basin's economy each year.³

If this document is primarily about strategies for the deployment of environmental water, then such comments are misplaced.

In line with the previous comment, we cannot understand how the Authority can justify that it will "*continue to improve its understanding of the social and economic benefits provided by well-functioning ecosystems*" while it presently grapples with how to successfully evaluate the social and economic costs/risks from removing water from productive use (MDBA Framework for Evaluating Progress), and has effectively walked away from establishing a benchmark for evaluation of social and economic impacts of the Basin Plan on Basin communities and irrigators. If the draft Strategy is to be a vehicle to consider social and economic impacts (which Council believes it should not be), then it must include a more balanced and preliminary analysis of social and economic costs/risks and benefits resulting from environmental watering that guide the decision making process of environmental managers in the Basin.

NSWIC submits that the draft Strategy must be amended to remove selective references to social and economic benefits of environmental watering.

Constraint Management and Rules

NSWIC holds great concerns about the references to the still to be finalised Basin Constraints Management Strategy and the consideration of possible river and storage management rule changes that would give it effect.

The Council and its Members, have yet to be convinced that the Authority are capable of achieving the desired environmental outcomes that have been identified within the current constraints, let alone the outcomes that could be achieved through constraints

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management. Without further analysis on the feasibility (physical and financial) and the third party impacts of any adjustments to managing system constraints, we urge extreme caution in establishing the expectation that additional environmental benefits can be achieved by simply removing constraints on water delivery. Further, this draft Strategy should not include assumptions that a Basin Constraints Management Strategy will be approved by the Commonwealth and Basin Governments, or will be able to be successfully implemented. Any further discussions about system constraints must incorporate comprehensive stakeholder review on the impacts of such changes.

Finally, NSWIC would like to point out that the draft Strategy does not acknowledge the difficulty and complexity in achieving broad scale lateral connecting events; in particular the risks floods pose to private property, farming enterprises and public infrastructure.

NSWIC submits that no rule changes be considered without comprehensive and transparent stakeholder review to establish the feasibility of meeting environmental water delivery targets under proposed relaxation of Basin-wide constraints and achieving these targets without negative third party impacts.

End of System Focus

NSWIC is concerned by the 'end of system focus' of the draft Strategy and urges caution not to focus specifically on the environmental outcomes in one region of the Basin. At this point, NSWIC would like to point out that Appendix 3 shows that other areas in the Basin are of greater importance for water birds than 'end of system' areas. This approach highlighted the narrow approach the MDBA has taken in drafting the Strategy and creates a blunt instrument that will achieve far less than a properly considered, holistic strategy that recognises more than 'just adding water' as a solution. The Council understands that monitoring flows is easier than monitoring environmental outcomes and social and economic costs, but we believe that a whole of basin approach to environmental watering must remain a priority within this draft Strategy.

NSWIC submits that a whole of Basin consideration must remain the focus of the draft Strategy.

Reason for Strategy

NSWIC is not convinced about the reasons for the draft Strategy's focus outlined on page 9 and 10. The reasons stem from a flawed understanding of the purpose of such a strategy. The health of the Basin will not be achieved through 'just adding water' and a strategy is not necessarily sound just because fish and bird numbers can be counted.

They are good indicators of the health of a river system and are measurable⁴.

The system is significantly more complex than this simplistic statement implies and must be approached more holistically to account for the non-linear response of environmental assets to water volumes. In addition, the potential impacts and consequences for other water users and Basin communities demands a much more robust framework.

⁸ Page 9

NSWIC submits that the reasons for the strategy's stated approach to environmental watering evaluation listed on pages 9 and 10 be removed as they are self-servicing in justifying the approach to environmental watering proposed by the MDBA.

Conclusion

While NSWIC considers the current draft Strategy to be an improvement on earlier versions, we believe further amendments are necessary to make the Strategy meaningful in enhancing the effectiveness and efficiency of environmental watering.

Among the points raised above, NSWIC would like to stress that the draft Strategy must place greater emphasis on community and stakeholder involvement in all stages of the planning and deployment process of environmental water. The on-ground expertise and experience will be invaluable for optimising the future deployment of environmental water and ensure that risks in the implementation of the Strategy to Basin communities, irrigators, and also to the environment are being adequately considered. As such, stakeholder engagement and consultation must be placed at the forefront of this draft Strategy and be supported by a detailed consultation/review timetable prior to the finalisation of the Strategy.

Without these amendments to the draft Strategy, the Council believes that the document will remain incomplete and not adequately assist environmental water holders, Basin state governments and waterway managers to adequately plan and manage environmental water at a Basin scale.