

# Murray-Darling Basin Plan: Implementation Review 2023

## Introduction

Cotton Australia is the peak body representing Australia's 1,500 cotton growers, many of whom operate within the Murray-Darling Basin.

Within the Basin our industry's footprint extends from the New South Wales / Victorian border, along the Murray Valley, right up through NSW, and into Queensland, across the Border Rivers, Warrego, Moonie and Condamine Balonne Catchments.

While the industry's production varies enormously due to seasonal conditions, annual farm gate production of cotton lint and cotton seed can exceed \$4 billion. In addition, the industry estimates that at least 10,000 Australian's rely directly on the cotton industry for employment, with many more indirect jobs servicing the industry.

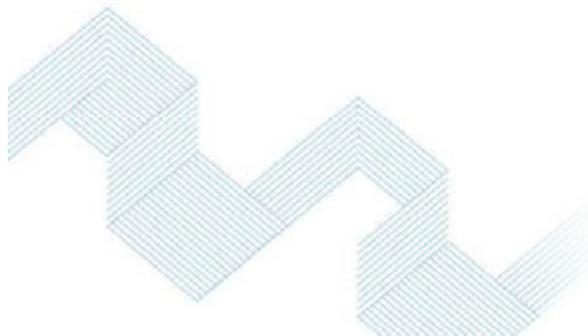
Irrigation plays a critical role in our production, with many irrigators selecting cotton as their crop of choice because of its relatively high return per megalitre, and because as an annual crop it can adjust readily to varying levels of water resource availability.

As an industry, our general philosophy on water resource management is that it is governments' responsibility to determine in any given season how much water an irrigator can access, and then it is up to the irrigator to be as efficient with that water as possible.

As an industry we are very proud of our record in Water Use Efficiency. Today we use 52% less water to grow a bale of cotton than we did in 1997.

Cotton Australia welcomes the opportunity to provide this submission to the Productivity Commission's Review into the Implementation of the Murray-Darling Basin Plan.

Cotton Australia is an active member of the National Farmers Federation (NFF), National Irrigators Council (NIC) New South Wales Irrigators Council (NSWIC), and Queensland Farmers Federation (QFF), and endorses the submissions made by these organisations.



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However, it is likely, that there may be some divergence of views on some specific issues, and for clarity, if there is conflict between the above submissions and ours, then the views expressed in submission are the views of Cotton Australia.

Cotton Australia also has a very strong working relationship with many of the catchment-based irrigator groups that exist across the NSW and Qld parts of the Basin and urge the Commission to take their submissions in the highest regard, as they are very closely connected with their communities.

## Key Questions

Cotton Australia will limit its response to some, or all of the nine key questions posed by the Commission.

### 1. WHAT NEEDS TO CHANGE TO ENSURE WATER RECOVERY TARGETS ARE MET AND THAT SUPPLY AND EFFICIENCY MEASURES ARE DELIVERED? WHAT LESSONS CAN BE LEARNT FROM PAST EXPERIENCES?

Firstly, the single greatest failure of the Basin Plan has been its almost single-minded focus on hydrology – “just add water and all will be good”. Prior to the implementation of the Plan, the Federal Government completed two rounds of the Sustainable Rivers Audit. These audits measured the health of the river system across many sites in the basin, and reported against key metrics including – Hydrology, Fish, and Macro-Invertebrates.

Almost universally, the best score at each site was hydrology. That is not to say hydrology always scored well, but it almost always scored better than any other metric, yet the Basin Plan decided to rely on hydrology.

Cotton Australia strongly contends that at this point, the focus should move away from further water recovery, to investing in many activities and structures (collectively termed complementary measures) that would leverage far greater environmental gains from the existing pool of environmental water. It must be recognised that within the Basin, as either planned or adaptive environmental water, in excess of 70% of the Basin flows are already preserved for the environment.

Complementary measures are many and varied, but they include measures to mitigate cold water pollution, assist with fish passage, restore riparian vegetation, remove feral species and reduce fish entrainment.

In terms of the specific question, Cotton Australia welcomes Minister Plibersek’s decision to extend the Basin Plan’s timelines, and in particular to allow more time for the completion of the Supply projects. However, what is equally important, is support to allow the inclusion of new efficiency projects, such as, but not limited to, the project/s being proposed by Murray Irrigation Limited.

It is imperative that as a minimum, the full 605GI of equivalents are achieved. These projects, like complementary measures, leverage additional environmental gains, over and above a just “add water approach”, boost local economies, and do not have the negative social and economic costs associated with direct water buybacks.

Cotton Australia opposes further direct buybacks, but unlike some organisations, is more open to the inclusion of voluntary “On-farm irrigation Efficiency Projects, as part of a broad sweep of projects aimed at improving on-farm efficiency.”

Cotton Australia also calls for formal recognition of water purchased on the temporary market, as environmental water, towards the achievement of SDLs.

For example, the Commonwealth Environmental Water Holder (CEWH) has semi-regularly purchased additional water from irrigators across the Lower Balonne to complete bird breeding events in the Narran Lakes, but these purchases do not account towards the SDL’s.

It would not be too difficult to design a framework that could account for water acquired on the temporary market, to assist towards achieving SDL.

Finally, but in many ways most importantly, the Commission must recognise, that on the basis of accounting by both the Murray-Darling Basin Authority (MDBA) and the Inspector-General, the Basin has been operating consistently below the overall Sustainable Diversion Limit for a number of years now.

While Cotton Australia acknowledges that overtime diversions might increase to the SDL or exceed it, at the present point, the aim of the Basin Plan to operate at Sustainable Diversion limits has been achieved, and this should be publicly recognised.

2. ARE THE CURRENT ARRANGEMENTS FOR IMPLEMENTING THE MURRAY-DARLING BASIN PLAN OPERATING EFFECTIVELY? HOW COULD THE ARRANGEMENTS BE IMPROVED? THE COMMISSION IS PARTICULARLY INTERESTED IN THE EFFECTIVENESS OF THE ARRANGEMENTS FOR:

- DEVELOPING, ACCREDITING AND REPORTING ON WATER RESOURCE PLANS
- WATER QUALITY
- CRITICAL HUMAN WATER NEEDS
- ENVIRONMENTAL WATER PLANNING AND MANAGEMENT.

#### Water Resource Plans

Cotton Australia is at a loss as to why the NSW Water Resource Plans have not been fully submitted and accredited. It is noted NSW had the vast majority of the Plans, but as the Plans should simply incorporate the existing Water Sharing Plans, and add the required additional chapters, there appears to have been a level of complexity that is unnecessary.

While Cotton Australia has no evidence to substantiate the following claim, it certainly feels as if NSW is being held to a higher level of account than other States.

Given the water recovery is largely being achieved through entitlement recovery, there should be no need to substantially change the Water Sharing Plan components of the Water Resource Plans.

#### Water Quality

Over and above the “just add water” approach, Cotton Australia is not aware of anything intrinsically in the Plan that will lead to better water quality. Water quality could be vastly improved by investing in a suite of complementary measures, not the least being the eradication of European Carp from the Basin.

#### Critical Human Needs

The last drought highlighted that some townships, communities and individuals simply do not have the water reserves to manage through a severe drought. However, this is an issue that is much more widespread than those communities that might benefit from further water recovery through the Plan. For example, Uralla, is in the Gwydir Catchment, but upstream of Copeton Dam and irrigation, was like many tableland towns on severe water restriction, with poor or very poor water quality.

The solution here, is not to try address this issue as a Basin Plan issue, but to address it on a community-by-community basis.

#### Environmental Water Planning and Management

Cotton Australia wants to acknowledge that the CEWH and other environmental water managers are improving all the time. They should be encouraged to celebrate their successes and pro-actively learn from their mistakes.

However, as an industry, Cotton Australia is sick of being blamed for poor environmental outcomes, that could have been avoided by better environmental water planning and management.

Whether it was the 2019 or the 2023 Menindee fish deaths, they could have been avoided or largely avoided by pro-active management by water managers, both strictly environmental water managers, and infrastructure operators.

It is critical we learn how to better manage “blackwater” events, and other similar scenarios, which may not be strictly speaking predictable, but are certainly foreseeable.

### 3. HAVE THE GOVERNANCE AND INSTITUTIONAL ARRANGEMENTS FOR THE PLAN – INCLUDING THE ARRANGEMENTS FOR COMPLIANCE AND MONITORING, EVALUATION AND REPORTING – PROVED EFFECTIVE? WHAT CHANGES WOULD YOU RECOMMEND?

While NSW is strongly criticised for its failure to lodge its Water Resource Plans for accreditation in a timely manner, an impartial judge would have to credit NSW to be far ahead of the other States in terms of its water use reporting and transparency, metering, and compliance.

Cotton Australia would argue that the Natural Resource Access Regulator (NRAR) in NSW is an over investment, but there is much that could be done to improve standards in other States. It is necessary for there to be an agreed level of monitoring and compliance across all jurisdictions, which at the minimum give the public confidence in accurate water measurement, compliance and use reporting.

### 4. HOW WELL IS THE PLAN RESPONDING TO A CHANGING CLIMATE? HOW SHOULD THIS BE IMPROVED?

Much greater recognition needs to be given to how the existing water allocation system, across jurisdictions, already manages climate change and variation.

There is no shortage of commentary that suggests the plan and future plans have to take a greater account of climate change, with the assumption that more water will have to be carved out of the consumptive pool.

The reality is, that almost all the risk of climate change is borne by lower reliability water entitlements holders including unregulated, general security, supplementary and medium priority.

Because of the of the current hierarchy priority of allocations, these entitlements, whether held by the environment or extractive users, bare the risk.

Higher priority uses, either planned environmental water or highly secure entitlements bare little risk. This can be highlighted by the fact that even during medium to severe droughts, baseline flows are protected, and most high security allocations are close to their full entitlement level.

The real debate here should be whether the environment, should share the risk more evenly with the extractive users.

## 5. HOW WELL IS THE PLAN ADDRESSING THE INTERESTS OF ABORIGINAL PEOPLE?

Cotton Australia acknowledges that there has been little progress on water for aboriginal people through the implementation of the Basin Plan. In principle Cotton Australia is supportive of indigenous Australia's holding water and being able to utilise it for both cultural and economic purposes.

Should the Australian government wish to provide water entitlements to indigenous Australian's it should be achieved through the water market.

## 6. HOW WELL HAS COMMUNITY CONSULTATION AND ENGAGEMENT BEEN CONDUCTED? HOW CAN THIS BE IMPROVED?

Short answers - Badly. Read and implement the recommendations of the Sefton review.

There are at least two recent examples that show the Federal Government and its agencies have learnt little over the 15 years or so of Basin Plan development and implementation.

In June 2022, the then Department responsible for water recovery, conducted consultation across the Condamine Balonne Catchment (and probably other catchments) on how the recovery of water for "Bridging the Gap" could be achieved.

The actual process was professionally and respectfully run. A "What we heard" report was issued, that largely accurately reflected the feedback provided. However, in March this year the Minister simply announced a "buy back" program that not only completely ignored the many positive suggestions, but provided them with no acknowledgement. This was a "slap in the face" to those communities and their members who participated.

Then when the Minister announced her "buy-back" tender, the Department embarked on an information tour. By its own admission, the tour was not to debate policy, seek ideas or in other ways assist in developing policy, it was simply and solely to promote the tender process and provide information. It should have been open to anyone.

However, instead the Department booked small venues, instigated a complex RSVP process, which only sent invites to a limited number of people, provided very little notice, and only provide venue information on successfully completing the rsvp.

This created a lot of ill-will in the community, as some were able to attend but not others, and it also defeated the purpose of promoting the tender process as much as possible. You would think after 15 years they could do better.

## 7. WHAT LESSONS SHOULD BE LEARNED FROM PROGRAMS AIMED AT HELPING COMMUNITIES ADJUST TO THE PLAN?

It is hard to think of one good example, where investment by the Federal Government in projects has effectively offset the negative social and economic impact of the Plan.

- Direct investment in community social and economic structural adjustment as only ever represented a tiny fraction of the overall budget of the Basin Plan. It has been a tokenistic gesture at best.
- Early projects were particularly poorly targeted, with some communities receiving grants, even though while technically in the Basin, they had had no impacts from water recovery.
- Progress on some projects appears to be painfully slow.

Improvement could be made, by providing “x%” of funding for structural adjustment for each dollar spent on water acquisition. This money would have to be spent in communities that can clearly demonstrate that they were impacted by a particular water acquisition.

For example, if water was acquired close to St George in Qld, then the funding should go to the St George community, and not some community 100 km or more away.

Social, economic and environmental impacts could actually be improved by investing in “complementary measures”, rather than water acquisition.

## 8. DOES THE IMPLEMENTATION OF THE PLAN REFLECT A COMMITMENT TO THE BEST AVAILABLE SCIENTIFIC KNOWLEDGE? HOW WELL IS THIS KNOWLEDGE COMMUNICATED? WHAT IMPROVEMENTS SHOULD BE MADE?

In reality, this is a very difficult question to answer, and in some ways is not the right question. The best available science should inform decision makers. Decision makers must take all factors into account, and then make a balanced, informed decision. The Best Available Science is just one of the information inputs decision makers need to take into account.

For example, it could be argued that Best Available Science would dictate that the environment would better reflect its natural state with no human intervention at all. This is patently not how the world operates; judgement calls are made all the time - the needs of the environment must be balanced against the social and economic needs of humans.

Further, if Best Available Science was truly available and actioned on, the Basin Plan would never have focused on a hydrology only response. A far more multi-faceted approach would have been adopted, along the lines of Integrated Catchment Management.

Therefore, the greatest improvement that could be made at this stage, is a focus on leveraging much improved environmental outcomes, through investment in broad-ranging “complementary measures”, rather than further investment in water acquisition.

## 9. ARE THERE ANY OTHER ISSUES WITH PLAN IMPLEMENTATION THAT YOU WISH TO RAISE?

Cotton Australia remains concerned that so many of the Recommendation from the last Review have never been implemented, and provide this brief assessment.

### RECOMMENDATION 3.1

Once Water Resource Plans are accredited, the Murray-Darling Basin Authority (as Basin Plan Regulator) should assess which (if any) resource units are over-recovered against the Sustainable Diversion Limit.

As soon as practicable, the Commonwealth Environmental Water Holder, in co-operation with Basin Governments, should develop a process and an appropriate timeframe to return any identified over-recovery to consumptive uses in accordance with Sustainable Diversion Limits.

Not completed – Noted that NSW Water Resource Plans still to be accredited, but no suitable pathway in place to address over-recovery in catchments like the Gwydir and Macquarie.

### RECOMMENDATION 3.2

The Department of Agriculture and Water Resources should ensure that water recovery aligns with environmental requirements and its processes for doing so are transparent.

To support accountability, it should commit to publishing all advice provided by the Commonwealth Environmental Water Holder and the Murray-Darling Basin Authority (including advice on strategic purchases) once transactions are complete in a Sustainable Diversion Limit resource unit.

Degree of completion unknown

### RECOMMENDATION 3.3

If provided, the Australian Government should target any further assistance to communities where substantial adverse impacts arising from water recovery to date or any future recovery program have been identified. This should:

- have clear objectives and selection criteria
- be subject to monitoring and evaluation.

Any support for regional development should align with the Productivity Commission's strategies for transition and development, set out in its report on *Transitioning Regional Economies*.

There has been no large-scale structural assistance offered to communities, that in any way reflect the serious social and economic costs that have been incurred by the implementation of the plan.

RECOMMENDATION 4.1

Basin Governments should, as soon as practicable:

resolve governance and funding issues for supply measures, including risk sharing arrangements

develop an integrated plan for delivering supply measures to improve understanding and management of interdependencies within the package of supply measures

develop clear mechanisms for consultation on the package and individual projects with Traditional Owners and local communities.

No substantial progress over the past five-years

RECOMMENDATION 4.2

Basin Governments should be open to the possibility of extending the 30 June 2024 deadline for specific supply measures to be operational where an extension would be necessary to allow worthwhile projects to be retained.

Basin Governments should make this position clear to project proponents early enough to inform the finalisation of detailed business cases for supply measures. It should be clear that extensions would need to be well founded, only apply in limited circumstances, and not alter the requirement to make good if a project ultimately fails.

There was no progress on this, until the very recent announcement by Federal Environment Minister Plibersek.

RECOMMENDATION 4.3

The Murray-Darling Basin Authority (as Basin Plan Regulator) should, as soon as practicable, devise a strategy for undertaking the reconciliation of supply measures that accommodates projects to be delivered in realistic timeframes.

No substantial progress.

#### RECOMMENDATION 4.4

The Department of Agriculture and Water Resources should, as soon as practicable, establish a clear gateway process that determines whether proposed supply measures proceed to implementation.

The Department should appoint an independent panel to provide advice throughout the gateway review. The panel should consider:

- any material decrease in the anticipated net benefits of projects since their initial business case (to ensure projects represent prudent and effective use of public money)
- whether project timeframes and milestones are credible.

Based on the above assessment, the panel would make a recommendation on whether projects should proceed to implementation. The Department should publicly respond to the advice of the independent panel, including justifying instances where it elects not to accept that advice.

Throughout implementation, the independent panel should also advise on whether projects are meeting their milestones, and projects that fail to make reasonable progress should be removed.

No substantial progress.

#### RECOMMENDATION 4.5

Northern Basin Governments should, as soon as practicable, put in place transparent and accountable governance arrangements for implementing the Northern Basin Toolkit. These arrangements should include:

- a mechanism to establish clear milestones to ensure the Toolkit measures are implemented within reasonable timeframes
- an independent assessment by the Murray-Darling Basin Authority (as Basin Plan Regulator) of progress and effectiveness in implementing the measures.

Cotton Australia understand that some progress has been made, but is unaware of any public, transparent and consistent reporting of progress.

#### RECOMMENDATION 5.1

As soon as practicable, the Murray-Darling Basin Authority (as the agent of governments) should comprehensively update and publish modelling to confirm the enhanced environmental outcomes that can be achieved with additional water recovery. This modelling should use up-to-date information on constraints proposals, the effects of supply measures, and the volume of held environmental water.

The Murray-Darling Basin Authority should also model the benefits of additional environmental water within existing delivery constraints, and use this information to establish which Sustainable Diversion Limit resource units should be the priority for additional environmental water recovery.

Cotton Australia is unaware of any substantial progress in this area but understands that the Authority has been investing in upgrading its modelling capacity.

#### RECOMMENDATION 5.2

By early 2019, the Department of Agriculture and Water Resources should release a strategy for the efficiency measures program to achieve the Schedule 5 environmental outcomes while minimising adverse socioeconomic impacts. To ensure that the recovery of the 450 GL is effective and efficient, this strategy should:

- prioritise recovering water that can usefully contribute towards achieving Schedule 5 outcomes
- plan for a range of scenarios for constraint easing
- phase water recovery to ensure that, as new information becomes available, it aligns with both revised constraint proposals and progress in easing constraints, and contributes towards specific Schedule 5 outcomes
- consider all available options for recovering water in the development and assessment of projects, including community-designed initiatives
- clearly outline how it will address adverse socioeconomic impacts through the design of its program (recommendation 5.3)
- be transparent, and regularly publish information on successful projects, prices paid and overall progress against program objectives
- outline clear processes to ensure ongoing engagement with local communities and industries.

Progress has been very limited. That being said, while Cotton Australia acknowledges the efficiency measures form part of the Plan, far greater environmental outcomes, and far low social and economic impacts would occur if funds were invested in complementary measures instead.

#### RECOMMENDATION 5.3

The Department of Agriculture and Water Resources' (DAWR's) water recovery strategy should explicitly outline how it will seek to address adverse socioeconomic impacts through program design. DAWR should require project proponents to provide information on:

- the likely benefits to, and adverse impacts on, the local district and any potential flow-on impacts
- the degree of engagement with community and/or industry
- alignment with irrigation network plans, including any planned rationalisation.

The purpose of collecting this information would be to identify possible cumulative socioeconomic impacts across different combinations of projects under consideration, as part of a broader decision about which projects to fund. This information should not be used as pass or fail criteria for individual projects.

DAWR should also implement a regional-level monitoring and evaluation program to identify (over time) which regions are subject to substantial socioeconomic impacts from additional water recovery.

Cotton Australia understand that this does occur, as part of the requirement for efficiency projects to meet the socio-economic test.

#### RECOMMENDATION 5.4

The Australian Minister for Water should specify that the 2021 review of the Water for the Environment Special Account review the benefits, costs and impacts of pursuing the enhanced environmental outcomes in Schedule 5 on the basis of new and updated information. This should include:

- identifying which, if not all, of the Schedule 5 outcomes can be achieved, given progress in easing or removing constraints, and how much environmental water would be required to do so
- assessing the benefits and costs (and feasibility) of other approaches to achieving those environmental outcomes.

This review should be supported by modelling provided by the Murray-Darling Basin Authority (as the agent of governments) and any additional information from Basin States.

The Australian Government should use the outcome of this review to determine whether there is a need to amend the Schedule 5 outcomes, or adjust the water recovery strategy to pursue those outcomes efficiently and effectively.

Review was completed but does not appear to have resulted in any meaningful or discernable change in approach. To Cotton Australia's knowledge there has been no change to Schedule 5 or the Water Recovery Strategy.

#### RECOMMENDATION 6.1

The Australian Minister for Water and Basin States should as soon as practicable negotiate extensions to the timelines for accrediting Water Resource Plans in areas where there is clearly insufficient time for adequate community engagement before 1 July 2019 (particularly in areas of New South Wales).

Extensions should only be given in limited circumstances, particularly where substantive changes to state-based water management rules are proposed that may have material impacts on entitlement holders and/or the environment.

NSW Accreditation process is on-going.

#### RECOMMENDATION 6.2

Before 1 July 2019, the Murray-Darling Basin Authority (as Basin Plan Regulator) should:

- clarify what Basin States are required to self-report annually to show compliance with Water Resource Plan (WRP) obligations
- articulate the compliance assessment regime relevant to WRP obligations
- consult with Basin States in developing guidance on how it proposes to assess future amendments to WRPs.

Cotton Australia agrees this is occurring, but more importantly the reporting shows that across the Basin, extractions are below Sustainable Diversion Limits, and therefore the Basin Plan's objective of limiting diversions to a set amount has been achieved.

RECOMMENDATION 6.3

The Murray-Darling Basin Authority (as Basin Plan Regulator) in consultation with Basin Governments should finalise and publish a detailed terms of reference to assess the effectiveness and efficiency of Water Resource Plans in preparation for the five-yearly evaluation in 2020.

This evaluation should enable an assessment of the utility of Water Resource Plans for delivering on the objectives and outcomes of the Basin Plan.

Cotton Australia is unaware as to whether this Recommendation was actioned, but clearly in 2023 many NSW Water Resource Plans are still to be accredited.

RECOMMENDATION 8.1

The Murray-Darling Basin Authority should review the Basin Plan salt export objective in its 2020 review of salinity and water quality targets. This review should consider:

- the relationship between the salt export objective and site-specific salinity targets that require a higher prioritisation to meet water quality objectives
- whether there are any additional environmental benefits associated with achieving the salt export objective that are not covered by achieving the environmental outcomes of the Basin Plan
- whether the objective should be respecified or abolished.

Cotton Australia is not aware of the status of this recommendation, but contends it is an important one, and the results require active assessment. There appears to be less and less justification for additional flow requirement to export salt, with salt figures being low during both low-flow and high-flow years.

RECOMMENDATION 9.1

The New South Wales Murray and Lower Darling Water Resource Plan (WRP) should recognise the direct link between the management of Menindee Lakes, flows to the Lower Darling and the risks to the provision of water for critical human water needs.

The WRP should set out how key operational plans (including the Murray-Darling Basin Authority's River Murray System Annual Operating Plan and the WaterNSW Lower Darling Operations Plan) interact with each other to provide for critical human water needs.

Cotton Australia is not aware of the status of this recommendation; however, it points out that the management/mismanagement of Menindee Lakes has contributed significantly to the fish kills in both 2019 and 2023, and also contributed significantly to the shortage of water for critical human needs in the Lower Darling during the 2017-2020 drought.

RECOMMENDATION 10.1

The Murray-Darling Basin Authority (as Basin Plan Regulator) should:

- finalise and publish an assessment framework for evaluating the consistency of trade restrictions against the Basin Plan trading rules, which gives guidance about how to estimate the costs and benefits of removing trade restrictions
- specify the timeframes that it will endeavour to meet in resolving trading rule compliance matters
- notify Basin States about whether the 11 unresolved matters raised with them amount to non-compliance and what action is required by Basin States to resolve them
- publish the reasons given by Basin States for restrictions on surface water trade
- publish its compliance determinations and the assessments that support each determination.

Cotton Australia is unaware of the status of this recommendation specifically, but acknowledges the various inquiries into the water market, and legislative changes.

RECOMMENDATION 10.2

Basin Governments should set and publish a work plan within the next 12 months that describes how delivery capacity issues and third party effects associated with changes in water use and trade will be investigated and managed. The work plan should specify responsibilities, timeframes and how this information will be communicated to the water market.

Basin Governments should assign the Murray-Darling Basin Authority (as the agent of governments) responsibility for identifying and managing risks related to changes in water use and trade in shared resources and connected systems.

Cotton Australia is unaware of the status of this recommendation specifically, but acknowledges the various inquiries into the water market, and legislative changes.

#### RECOMMENDATION 11.1

The Murray-Darling Basin Authority, when developing the next five-year Basin-wide environmental watering strategy in 2019, should strengthen its value as the key strategic plan governing environmental watering across the Basin by:

- including a clear objective to ‘maximise environmental outcomes through effective and efficient environmental water management’
- including a secondary objective that, where environmental outcomes are not compromised, environmental watering should seek to contribute to social or cultural outcomes
- providing clear guidance, under all water availability scenarios, on the relative priority of key Basin environmental assets (including instream assets) to achieving the overall environmental objectives of the Basin Plan and the expected outcomes set out in the strategy
- providing clear guidance, under all water availability scenarios, on the priority for achieving flow connectivity at the system scale relative to watering within an individual Water Resource Plan Area
- providing clear guidance on potentially harmful flow regimes, to support river operators and resource managers to act in a way that is consistent with the Basin Plan.

Cotton Australia is not aware of the exact status of this Recommendation, but strongly supports its intent.

#### RECOMMENDATION 11.2

Following the publication of the 2019 Basin-wide environmental watering strategy (BWEWS), the Murray-Darling Basin Authority (MDBA) (as Basin Plan Regulator) should provide clear guidance material to Basin States on the expected content of long-term watering plans (LTWPs) when they are reviewed and revised. This guidance material should include the need for LTWPs to articulate:

- realistic long-term objectives to be achieved from the available environmental water portfolio through watering activities within the operational constraints at that time
- environmental watering requirements in the catchment including the required magnitude, timing and frequency of watering for priority assets, ecosystem functions and system connectivity
- the relative priority of assets within the catchment for achieving the objectives of the Basin Plan and the expected outcomes of the BWEWS
- risks to the achievement of the long-term watering objectives, including the risk of undesirable outcomes arising from environmental watering or potentially harmful flow regimes as a result of river operations.

To improve the accessibility of information, the MDBA should maintain a register of LTWPs on its website, including relevant deadlines, progress towards completion, final documents when they are completed, and the status of each plan as they are reviewed and adapted over time.

If the Recommendation has been actioned, the outcomes have not been communicated to stakeholders in a clear and transparent way.

RECOMMENDATION 11.3

As part of the 2020 review of the Environmental Watering Plan, the Murray-Darling Basin Authority (as Basin Plan Regulator) should consider the usefulness of Basin annual environmental watering priorities and whether the Basin Plan requirements for these annual priorities should be amended or removed.

Cotton Australia assumes this has been enacted.

RECOMMENDATION 11.4

By 2020, Basin Governments should:

- establish a Northern Connected Basin Environmental Watering Committee as a mechanism for intergovernmental coordination for planning and coordinating connected environmental watering events in the northern Basin
- increase the transparency of the Southern Connected Basin Environmental Watering Committee and its role by making governance arrangements including terms of reference, membership and reporting responsibilities publicly available.

Cotton Australia is not aware of this recommendation being enacted.

RECOMMENDATION 11.5

Where not yet in place, Basin State Governments should establish processes for consultation and coordination between key stakeholders to enable event-based watering decisions — including water managers, asset managers and entitlement holders (including the Commonwealth Environmental Water Holder) — as soon as practicable.

These processes should be documented and publicly available.

Once in place, these arrangements should be reflected in the Commonwealth Environmental Water Holder's annual portfolio management plans.

To Cotton Australia's knowledge this is done better in some catchments than others.

RECOMMENDATION 11.6

While achieving environmental outcomes is the primary focus of environmental water holders under their respective legislation, opportunities to contribute to social or cultural outcomes (without compromising environmental outcomes) should be actively pursued. Before the first revision of long-term watering plans, Basin States and environmental asset managers should have processes to engage with local communities and Traditional Owners.

Cotton Australia believes this recommendation has only been partially adopted, but it should be supported.

RECOMMENDATION 11.7

Basin States should manage the risks to achieving the environmental watering objectives set out in long-term watering plans by delivering complementary waterway and natural resource management measures (such as habitat restoration or weed and pest control).

There has been very limited adoption, but this recommendation should be the focus of the majority of investment going forward.

RECOMMENDATION 12.1

As a transitional measure, the Murray-Darling Basin Authority should house its Sustainable Diversion Limit and Water Resource Plan compliance functions within the Office of Compliance, before its compliance role comes into full effect in July 2019.

In principle Cotton Australia supports the work of the Office of the Inspector-General, and believes this recommendation was adopted.

RECOMMENDATION 12.2

Basin States should consider the role, costs and benefits of consistent metering policies including the role of metering standards.

Basin Governments should work with Standards Australia to formally revise standards to ensure quality and cost effectiveness in water measurement.

Before new Basin State metering regulation and implementation plans are put in place they should be subject to scrutiny through publicly available business cases.

This has only been partially adopted, and the current standard (AS4747) does not ensure quality and cost effectiveness in water measurement.

RECOMMENDATION 12.3

The Murray-Darling Basin Authority (MDBA), as the regulator responsible for overseeing compliance at a Basin-wide level, should publicly report instances where Basin States are not effectively enforcing their water take laws.

The MDBA's 2026 Basin Plan review should reconsider the risk to meeting the objectives of the Basin Plan from non-compliance of water take, including the case for reducing Sustainable Diversion Limits if there is evidence of persistent illegal water take.

This recommendation has been enacted through the Office of the Inspector-General, although it is contestable as to whether all jurisdictions are enforcing their water take laws equally.

RECOMMENDATION 13.1

Reflecting lessons learned from deficiencies in past agreements, for any future funding agreements relating to the implementation of the Basin Plan, the Australian Government should ensure:

- the roles of the Australian Government and Basin States are clearly identified
- specific performance milestones are identified, and that clear responsibility is assigned for the delivery of each milestone
- where milestones are linked to payments, that these payments are disaggregated with a payment per milestone to provide a genuine incentive for implementation
- reporting on the progress of Basin Governments in meeting milestones is timely
- independent assessment of the progress of Basin Governments is undertaken
- advice provided by relevant agencies (such as the Murray-Darling Basin Authority or the Commonwealth Environmental Water Holder) is used to inform assessments of progress and is published in full.

Hopefully this recommendation has been adopted, but its success or otherwise is hard to measure.

RECOMMENDATION 13.2

The Murray-Darling Basin Authority (as Basin Plan Regulator) should develop a revised Basin Plan evaluation framework. This framework should define the specific questions that are to be used to evaluate the outcomes and effectiveness of the Plan, and the scales and times at which these questions will be answered.

The process through which the framework will be developed should be made public as soon as possible.

The evaluation framework should be finalised by the end of 2019, and be made publicly available.

Cotton Australia does not believe this time-frame was met.

RECOMMENDATION 13.3

Basin Governments should develop a monitoring strategy to give effect to the evaluation framework for the Basin Plan. This should describe the process by which the information needed to answer the evaluation questions set out in the framework will be collected. This includes:

- outlining what information will be collected and by whom
- identifying any information gaps, who will be responsible for addressing them and the process by which they will be addressed
- establishing the arrangements for sharing the costs of monitoring and evaluating the Plan between Basin Governments.

This monitoring strategy should be developed by Basin Governments, supported by the Murray-Darling Basin Authority (as the agent of governments).

The monitoring strategy should be finalised by the end of 2019, and be made publicly available.

Cotton Australia is not aware of any significant progress on this.

RECOMMENDATION 13.4

After the completion of the 2020 evaluation of the effectiveness of the Basin Plan, the Murray-Darling Basin Authority (as Basin Plan Regulator) should publicly outline the approach it will take for the 2026 review of the Plan. This should include establishing:

- the broad objectives and scope of the review
- how the process as set out in the Water Act will be undertaken, including establishing the timing of the review's discussion paper
- a clear process for identifying and addressing knowledge gaps that may hinder the review
- how the review will be resourced.

A broad-brush approach to the Review was only made public in June 2023.

Cotton Australia appreciates the opportunity to make this submission and would be delighted to discuss any matters raised further. You can contact Michael Murray, General Manager, Cotton Australia