

SUBMISSION TO THE PRODUCTIVITY COMMISSION
Murray-Darling Basin Plan: Implementation review 2023
Response to the Interim Report dated October 2023

The Productivity Commission (the “Commission”) has produced a very comprehensive *Interim Report* detailing findings and recommendations about the progress made toward implementing the Murray-Darling Basin Plan (Basin Plan) since 2018.

The issues associated with this topic are detailed and complex, however the focus of this submission is on Chapters 3, 4 & 9 of the Interim Report plus two of the four information requests. Refer to attached pages.

My interest in the Basin Plan relates to achieving sustainable rivers for all stakeholders in the community.

Further, in my July 2023 submission to the Commission¹, I highlighted the importance of the responsible marketing of horticultural products, including promoting and protecting Australia’s ‘clean & green’ reputation.

It is becoming more evident that Australia’s markets (especially in Europe) will become more demanding in terms of sustainable environmental production practices (including water management). For example, European markets are increasingly advocating inclusion of landscape stewardship performance in Free Trade and other marketing agreements.

Producing countries such as Australia have a potential marketing advantage to comply early and create an advantage for local producers. Major Australian banks will also be having future regard for emission reduction targets in terms of farmer financing,² indicating an increased commercial focus on environmental management.

Residing in the ‘tri state’ area (near the borders of Victoria, New South Wales and South Australia), I have served as a Board member on statutory regional Victorian and New South Wales state catchment management authorities & on Victorian rural and urban water authorities and understand the importance of the States working collectively, with a no-borders approach to water management.

There is a need to prioritise more effective future objectives ahead of immediate interests. For the remainder of the Basin Plan implementation, the objective of achieving sustainable waterways should be paramount. Hence this submission highlights:

- Climate change should be incorporated into the Basin Plan as a matter of priority.
- Monitoring the use of water should be a priority objective of the Basin Plan.
- The Australian Government should provide clear and committed leadership in implementing the Basin Plan.
- Urgent action is required for outstanding NSW water resource plans to be appropriately finalised and accredited, using the Minister for Water step-in provisions if necessary.

Barrie MacMillan

20 November 2023

Chapter 3: Environmental water planning and management

I agree with Interim Recommendation 3.1 Improving the effectiveness of the Basin-Wide Environmental Watering Strategy, particularly “*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*”.

Monitoring the use of water should be a priority objective of the Basin Plan.

I noted in my July 2023 submission that independent and skilled audits of management of environmental water should be a priority. These audits should be utilized for evaluation for corrective action.

Two example requirements to consider when planning audits:

- sufficient environmental water is available to ensure a sustainable water management system, and
- that watering events are effectively applied to achieve planned outcomes.

In February 2011, Australian National Audit Office undertook an audit of *Restoring the Balance*³, focussing on two main uses of water – for consumption and the environment. The audit addressed the early stages of *Restoring the Balance*. A further relevant audit is long overdue.

Chapter 4: Water resource plans

The Interim Report refers to Interim Finding 4.1 Without water resource plans, the Murray–Darling Basin Plan cannot be fully implemented. It is also noted in the Interim Report that “*Step-in provisions for the Australian Minister for Water to request the MDBA to develop water resource plans are available but have not been used*”.⁴

The time has surely come for urgent action for outstanding NSW water resource plans to be appropriately finalised and accredited, using the Minister for Water step-in provisions if necessary.

Given the advanced state of Basin Plan implementation, I believe the effectiveness of the NSW Government’s ability to manage the process should be assessed, especially given that independent investigations have reported unfavourably on their performance in recent years relating to water management.^{5 6}

Chapter 9: Governance and Engagement.

In my July 2023 submission to the Commission, I highlighted the need for improvements in Governance and Institutional Arrangements.

The Interim Report indicates that the Commission has put the spotlight on the need for the Australian Government to now provide clear and committed leadership in implementation of the Basin Plan.⁷

Information Request: Embedding Climate Change Science into the Basin Plan Framework.

Information request 6.1: *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.*

I continue to strongly advocate for climate change to be incorporated into the Basin Plan as a matter of priority.

The Keilty Report⁸ in 2020 brings into stark focus the volume of water entering the tributaries of the Basin has reduced dramatically over the past decades. In contrast, irrigation water demand is expected to climb over the next few years as new horticultural plantings in several regions will accelerate water uptake. There will also be increased uncertainty in the future via increasing temperatures and more variable rainfall.

It is the responsibility of the MDBA to manage water and therefore climate change should be strongly emphasised as a key objective and responsibility of MDBA.

In my July 2023 submission to the Commission, I noted that:

- A shortcoming of the Commission's *2023 Terms of Reference* is the failure to recognise that adverse climate change appears to be changing rapidly over the past 10 or so years. There are no means to assess the status and trend in climate change in the in the 5 years from 2018 to 2023 or for the next 5 years.
- The MDBA should be much further advanced in determining the effect of climate change on Basin water resources and communicating these findings to Basin stakeholders.
- From a risk management perspective, it seems extraordinary that such a major risk is not being addressed sufficiently, embedded in future planning and communicated to stakeholders.

I support [Interim Recommendation 6.1](#), specifically *"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."*

A core tenet of the Basin Plan was to give "effect to Australia's obligations under a variety of international environmental agreements, including the United Nations Framework Convention on Climate Change and the Ramsar Convention".⁹ The MDBA must "Act on the basis of the best available scientific knowledge"⁹ whilst preparing, reviewing and amending the Basin Plan.

It is hard to comprehend upon what basis that the MDBA chose to counter the advice from CSIRO in 2009 to incorporate climate change projections into its modelling for determining Ecologically Sustainable Level of Take (ESLT) and Sustainable Diversion Limits (SDLs) with their own assertion that there was "scientific uncertainty about the impact of climate change on water availability".¹⁰

MDBA also stated that it was "difficult to anticipate exactly how global changes to the climate would play out at smaller scales such as across the Murray-Darling Basin".¹¹ Forecasting possible scenarios and the consequent impacts within a Probability/Consequence framework is the very basis of risk management practice for any organisation.

It is notable that the MDBA chose to ignore this key management obligation when the Basin Plan states it must identify "the risks to the condition, or continued availability, of the Basin water resources, including risks to the availability of Basin water resources that arise from the effects of climate change".⁹

Climate change science should be embedded into the Basin Plan framework, including updated climate projections and the impact on water availability, to ensure that the MDBA cannot choose to ignore current scientific knowledge in the future, is obligated to implement appropriate risk management practices in setting ESLT & SDLs in the future and to encourage research into efficient use of water.

Information Request: Water Quality and Critical Human Water Needs in the Northern Basin.

Information request 7.1: *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.*

Several communities of NSW (ie. beyond the northern Basin) appear to have been adversely impacted as a consequence of NSW water managers not achieving improved water quality or ensuring critical human water needs. For example, Lower Darling River communities have been impacted too, affecting domestic water quality and resulting in several 'fish kill' incidents.

The MDBA must establish a procedure and reporting framework to ensure that the northern Basin water allocations are not exceeded.

About the Author

My former employment roles centred on processing irrigated food products, with Mildura Co-operative Fruit Co. Ltd for 31 years and with dried fruit marketing as a Board member of Australian Dried Fruit Sales P/L (later known as Sunbeam Foods) for 26 years. Dried fruit was marketed in bulk and consumer packs on both domestic and export markets. Since retirement, I have served as a Board member on statutory regional state catchment management authorities and rural and urban water authorities.

References

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- ¹ Submission to the Productivity Commission, Murray-Darling Basin Plan: Implementation Review 2023, B MacMillan
 - ² Weekly Times, "Nations banks ramp pressure on farmers to hit net-zero targets", 8 August 2023
 - ³ Australian National Audit Office, "Restoring the Balance in the Murray-Darling Basin", February 2011
 - ⁴ Interim Report, p9.
 - ⁵ Independent investigation into NSW water management and compliance, Ken Mathews, 8 September 2017
 - ⁶ ICAC Media Release 27 November 2020
 - ⁷ Interim Report, p209.
 - ⁸ Impact of lower inflows on state shares under the Murray–Darling Basin Agreement, M J Keelty, March 2020
 - ⁹ Interim Report, p170 (Box 6.3).
 - ¹⁰ Interim Report, p170.
 - ¹¹ Interim Report, p171.