



24 March 2021

Dear Sir or Madam

**Productivity Commission Review of National Water Reform – draft report**

**Submission from Barwon-Darling Water**

**Barwon-Darling Water**

Barwon-Darling Water Inc (BDW) is the peak body representing water users on the unregulated Barwon-Darling River.

Barwon-Darling Water is an independent, apolitical body funded by its members. It was set up to provide advice on the Barwon-Darling River to members and decision-makers, to assist with policy development, and to advocate on behalf of the interests of its members.

Our membership is made up of local water user groups – including local government, irrigators, and basic right users. We represent all licence holders and water users on the Barwon-Darling – from Mungindi on the Queensland border to the Menindee Lakes.

BDW members have been involved in the water reform process, especially in relation to the unregulated Barwon-Darling River, for many years. This work has included:

1. Co-operating with other stakeholders to create a set of environmental flow rules for the Barwon-Darling (through the first Barwon-Darling River Management Committee)
2. Assisting in development of the Barwon-Darling Cap Management Strategy of 2007;
3. Representation in development of the Barwon-Darling Water Sharing Plan 2012;
4. Working with DPIE Water on development of the Floodplain Harvesting Strategy; and
5. Working as part of the Stakeholder Advisory Panel on development of the Barwon-Darling Water Resource Plan 2020.

We have also been involved in discussions regarding the Murray-Darling Basin Plan since the plan was launched in early 2007.

Barwon-Darling Water is a member of NSW Irrigators Council and the National Irrigators Council and has strong connections with other valley and industry groups including the Northern Irrigators Group and Cotton Australia.

Barwon-Darling Water Inc welcomes the opportunity to make a submission on the Draft Report for the *Independent assessment of the management of the Northern Basin First Flush event*. We hope that relating some of our thoughts and experiences will be valuable to the assessment.

**Introduction**

BDW welcomes the opportunity to provide comments on the Productivity Commission’s Draft Report assessing the progress made by the various Australian governments in achieving the objectives and outcomes of the National Water Initiative (NWI).

**The notion of “Rebalancing environmental and consumptive shares”.**

Barwon-Darling Water wishes to especially comment on the request in the Draft Report:

*“The Commission seeks feedback on suitable triggers for rebalancing environmental and consumptive shares in the context of climate change.*

*What are the advantages and disadvantages of the different approaches?*

*How could continuous adjustment be implemented in practice?*

*Are there any other potential triggers that could be used?”*

Members of BDW are concerned that the Productivity Commission has started from the premise that a “rebalancing of environmental and consumptive shares” is required.

Given the water management principles adopted in NSW, we are left wondering why this is being discussed at all. The notion of a “rebalancing” displays a misunderstanding or ignorance of the principles of water management in the state of New South Wales.

Under the various water sharing plans in New South Wales, the consumptive share of water in each water source is automatically adjusted to account for changing water availability. These changes of water availability might be for any reason, including natural climatic cycles, droughts, floods, or climate change.

Automatic adjustments occur through water allocations, ie: Available Water Determinations (AWDs), which allocate a share to consumptive users based on water availability, once all other uses have been allocated according to the hierarchy outlined in the NSW Water Management Act 2001. If there is little or no water available in a certain water source, such as during a bad drought, consumptive water users have nil water allocations and entitlements are effectively switched off.

“Rebalancing” shares of water by reducing the number of entitlements will not make more water available during these dry periods, nor would it make more water available to those interests higher in the line of priority.

Barwon-Darling Water totally rejects the suggestion that ‘rebalancing’ is needed for matters of climate change, as appropriate rules and allocation systems are already in place to deal with climate change and climate variability.

Other points we wish to make on this matter are:

- Irrigators are usually hit first and hardest hit by reduced water availability from climate change and climate variability. NSW water management plans automatically

respond to changing water availability, by allowing a share of available water to consumptive users once all other needs have been met.

- ‘Rebalancing’ water shares in response to climate change is not needed where allocation and priority of use is already in place. NSW systems already reduce water shares to consumptive users to reflect water availability and higher priority needs. We recommend amending the words ‘*rebalancing consumptive and environmental shares*’ in the Draft Report, to focus on developing predictable systems of allocating water based on availability and priority of use.
- Rules to ensure critical needs are met during extreme dry periods (ie “*resumption of flow*” or “*first flush*” rules) provide a transparent and predictable approach, without requiring permanent ‘rebalancing’ which impacts every year, even in years of flood and plenty.

### **Reform fatigue**

We also wish to bring to the PC’s attention the issue of water reform fatigue. This is a very real issue facing basin communities and has been raised as an issue in various inquiries, like the *Independent Assessment into Social and Economic Conditions in the Basin*.

Our members would like to see the National Water Initiative espouse a principle encouraging governments to implement water management systems that provide stability and certainty for water users, especially in systems that have already undergone significant reform.

Communities, industry, and individual consumptive water users are struggling to keep up with the pace of change and are struggling to understand constantly changing rules and constantly changing management systems.

### **NWI principle of “user pays”**

The Productivity Commission would be aware that the New South Wales government has not adopted the NWI Best Practice Water Pricing principles, including the principle of user-pays.

Because of this, irrigators find themselves funding water management services and infrastructure that has a wider public and community interest.

Rather, NSW uses the ‘impactor-pays’ principle which is quite contentious and leaves consumptive water users / irrigators paying a disproportionate amount of costs for public interest items.

We believe that there is an urgent need in NSW to develop policy for financing broad community interest water management activities and infrastructure that reflects the community interest.

We prefer to see an amended cost-sharing framework that more fairly recovers costs for public and community interests.

These are the matters on which we wish to raise now as our time and resources are spread thin, but Barwon-Darling Water is keen to provide further feedback during the public consultation period.

I am available if the Commission has any question about this submission or requires further information.

**Yours sincerely**

**for Barwon-Darling Water Inc**