

Submission to the Productivity Commission Inquiry into National Water Reform 2020

The Productivity Commission,

21 August 2020

Firstly, I'd like to thank you for providing us with the opportunity to comment and share my concerns regarding the current Murray Darling Basin Plan (MDBP) in place.

Please note that the ideas I raise here are yet another call to action. I implore the review of this plan, as do many others, both environmentalists and irrigators who demand conflicting action. I can sympathise with both arguments of this debate, which is why I hope this submission will prove particularly motivating. Our governments need pressure to be placed on their inaction and I believe you can help apply that pressure.

It is well-known that the Basin is one of the most significant natural resources in Australia, particularly in the agricultural industry. It is also well known that the current plan in place which, though may be overseen by the Murray-Darling Basin Authority (MDBA), is managed at the state level. As per *The Water Act 2007*, 'Australian states in the Murray-Darling Basin [MDB] continue to manage Basin water resources within their jurisdictions'.

The very idea that this plan remains a contentious issue is evidence that the Commonwealth has not fulfilled its constitutional responsibility to 'protect, restore and provide for the ecological values and ecosystem services of the Murray-Darling Basin' and 'the management of the Basin water resources takes into account the broader management of natural resources in the Murray-Darling Basin', all in spite of the socio-economic issues associated. This is of national interest, so allowing the current governance to continue is certainly not *in* Australia's best interest.

The specific concerns and overall recommendations I hope for you to consider are based on sound scientific data. Our submission will address the following objectives of the Productivity Commission's Water Reform (2020) Inquiry;

- the extent to which the National Water Initiative (NWI) reforms are adequate to support government responses to changes such as climate change, and;
- provide any further practical advice on addressing the joint governments' priorities for implementation of a renewed NWI, and;
- provide specific practical advice on ways in which the NWI could be improved to support better social, economic and environmental outcomes.

01. The Need for Constitutional Intervention

The very idea that states have the choice to "walk away" from a plan that considers all invested groups and individuals in the use of the Basin water resources, places an unnecessary strain on the Plan itself. These (at the very least) minimum conditions and criteria established and enforced simply should not be optional. NSW and Victoria for one instance, threatened to abandon this Plan when their proposed changes to water thresholds in favour of irrigators, and at the expense of the environment were blocked by the Senate.

While this Plan intended to (and has continued to) be phased in, minimising economic and social impacts, it is important to realise this approach cannot be indefinite. Regardless of the backlash received by these tough decisions, the relevant MDBP amendments should be made independently.

An entirely different balance is required, favouring national authority and limiting the freedom of states to make the harmful decisions they currently have the liberty to make and justify at their discretion.

The lack of transparency in this Plan and its compliance measures is a significant reason for which former SA premier Jay Weatherill's High Court challenge, due to the inadequacy of the MDBP, did not progress. Either being legally excused from providing comment and documentation, or simply refusing to do so, members from the MDBA were not willing to provide clarity. Weatherill formed the Royal Commission's investigation and further supported the idea that the MDBP is simply not leading to the sustainable practices it promises. The SA Government and the Commission itself have long argued that a minimum of 3,500 gegalitres is needed to ensure that sustainability.

02. Reassessing the Threshold

According to the Greens Senator Sarah Hanson-Young "we know that there's been corruption". This is not so far-fetched when we acknowledge the originally proposed environmental water threshold of 4,000 Gegalitres was reduced to 2,750 Gegalitres, largely due to the "frenzy" that resulted from that proposal. Allowing for such hysteria to decide these issues is an extreme socio-political failure.

It is inevitable that increasing this water allocation to be used environmentally rather than agriculturally will cause some significant damage to irrigation-dependent communities and to agricultural production. This was the cause for the relevant MDBA recommendation in allocating a further \$600m from the Plan to assist struggling rural communities.

The irreparable long-term damage, however, will prove to be far more damaging and lead to far greater loss if this recovery threshold is not revised. This is an idea that we, the greater agricultural community, realise, where individuals and highly motivated politicians cannot, or perhaps *will not*. Victorian's Water Minister Lisa Neville for example focuses only on the twelve regional towns that would not survive if more water were to be reserved for the environment, as recommended. A constructive and progressive person in such a position should acknowledge this fact and work to minimise this impact, rather than work to oppose an equally (arguably more) important outcome that is seeing the sustainable use of the Basin water resources. Ignorance is certainly not bliss.

03. Allowing for 'Breathing Room'

Understanding the often unpredictable nature of climate variability is an essential consideration for the MDBP. Incorporating the regularly calculated and revised reports of the way in which water take affects overall ecosystem health is vital. The figures, criteria and guidelines with which both the MDBP and MDBA impose should be subject to a very accountable and objective audit process, and at regular and scheduled times. The findings from said audits should be far more easily incorporated into the MDBP and should place a significant focus on the influence of climate change on related data. With constitutional intervention (01), this would be feasible.

Governmental agreements to shift recovery targets through alternative measures should be heavily scrutinised. Reducing recovery targets provided the 'better management of water flows' and 'addressing constraints in the Gwydir' by NSW, Qld and the Federal Governments in 2018 is disappointing. Especially considering the concrete goals in line with the MDBP were replaced with general terms such as 'management of' and 'addressing'. Recovery targets should not necessarily be reduced where considerable water saving efforts have proven successful, this should be monitored by the MDBA independently. *Addressing* recovery targets in this way is particularly concerning as the climate influences since those last measures were achieved would not have been reassessed.

Amendments should *only* be approved once those reassessments have been made and contrasted alongside other state effort and progress.

Similarly, it is difficult for us to understand why in a legislative document which holds so much weight, has used the term 'neutral or improved' and allows subjective opinion to be valid. This phrase was used when referring to the possibility of adjusting the water saving threshold, a pivotal factor in the sustainability outcome of this Plan. History has shown us that without a strict line to follow, those with an alternative agenda find this to be a weakness to exploit. I want pressure to be placed on these sore points, and I want to see those legislative weaknesses corrected.

04. Compliance and Monitoring of Water-Saving Infrastructure

A strict and thorough assessment of water saving infrastructure should be submitted by each state to the MDBA at least yearly. This will allow their efficiency to be monitored and resources effectively allocated. Grants should be targeted more efficiently to those areas where improvement is required and has been recommended by the MDBA.

The Royal Commission "found that the MDBA has not been taking adequate steps to ensure community confidence in compliance across the Basin and recommended a number of actions to improve its performance, including strengthening enforcement powers". Still, the changes since this analysis have not been sufficient, and that is more than disappointing. Compliance resources should be increased, and a well-established procedure should be consistent across all compliance measures and faculties.

Thank you for your time and consideration. I hope this submission provides some food for thought, and these recommendations motivate the change needed. The political pressure that has the potential to see that change is largely what I hope to achieve by this submission.

Kind Regards,

Eleanor Smith