



GOULBURN BROKEN CATCHMENT MANAGEMENT AUTHORITY SUBMISSION TO

“INQUIRY INTO THE IMPACT OF THE MURRAY DARLING BASIN PLAN IN REGIONAL AUSTRALIA”

1. INTRODUCTION

- 1.1 The Goulburn Broken Catchment Management Authority (GB CMA) welcomes the opportunity to make a submission to the Inquiry into the impact of the Murray Darling Basin Plan in Regional Australia.
- 1.2 The Goulburn Broken catchment covers 2.4 million ha, of which 800, 000 ha is public land and 270,000 ha is intensive irrigated agriculture. The catchment has a population of over 200,000 people and supports major agricultural, food processing, forestry and tourism industries. Production from the irrigation region supports a significant food processing industry that contributes 25 per cent of Victoria’s export earnings. The catchment covers 2 per cent of the Murray Darling Basin, but generates 11 per cent of the Basin’s water resources. It also contains Victoria’s largest and most important water supply catchment; Lake Eildon. The other major significant water body is the Ramsar listed Barmah Forest in the north of the Catchment.
- 1.3 The GB CMA develops and implements the Goulburn Broken Regional Catchment Strategy by working with all tiers of government and private land managers, to coordinate land, water and biodiversity management in the catchment. The GB CMA role in water is to:
 - be caretaker of river health, including managing the environment’s right to water (managing the environmental water reserve) and implementing works on waterways
 - provide waterway, regional drainage and floodplain management services.
- 1.4 The GB CMA is working to ensure land and water resources are protected and enhanced as well as improving the region's social wellbeing, environmental quality and productive capacity in a sustainable manner.
- 1.5 The provision of improved river flows under the Basin Plan is an important step in improving river health, along with a range of river and catchment management activities. There is a clear need for increased flows, with the environment unsustainably degrading and having impacts on ecosystem health as well as the people who depend on the rivers.
- 1.6 The aim of the Basin Plan must be to stabilise our waterways at a reasonable level of the environmental health that can be maintained into the long term.

2. SOURCING WATER FOR SDL REDUCTION

- 2.1 The provision of more water for the environment requires water reductions from consumptive use within the catchment. This can have substantial impacts on individuals and communities. The Commonwealths commitment to purchase the required water is important in reducing impacts on individual water users. However, the GB CMA strongly prefers sourcing as much water as possible from efficiency programs. In particular, the GB CMA is delivering on the Australian Government’s **On-Farm Irrigation Efficiency Program** (with strong funding support provided by the State) which captures water savings whilst improving farm production and importantly leaves regional production in place, continuing to support the regional economy. The GB CMA is in a position to significantly accelerate this program if more funding becomes available.
- 2.2 Where buy-backs are required, targeting these buybacks within areas of irrigation districts is preferred, particularly to optimise use of delivery infrastructure. Working with groups, rather

than just individuals in these areas will lead to much better outcomes. Diversions along rivers do not pose the same need for targeting for buybacks. Importantly, the 3 programs (delivery infrastructure water savings and renewal, on-farm efficiency, and targeted buybacks) need to be planned and integrated to ensure that channel and on-farm efficiency program expenditure doesn't occur where buybacks are to be targeted, with a view to developing a long term sustainable irrigation system. Removal of exit fees should also be considered in the targeted purchasing of water. It would be valuable if purchases also target low productivity water use, rather than the most productive users.

- 2.3 The potential impact of the Basin Plan on land managers and the regional community is also a concern as natural resource management relies heavily on catchment communities working in partnership with CMAs to deliver natural resource management programs improving terrestrial and aquatic ecosystems. Catchment communities need the motivation and money to contribute to these outcomes, and pressure on these potentially undermines the improvements the Basin Plan aims to achieve. This supports the strong preference for improved efficiency investments in preference to buybacks.
- 2.4 Interceptions becomes a big focus under the plan, as it drives the current plan 60% to 80% end-of-valley flow regimes, and drives much of the impact of SDL reduction. More information is required on how this component is estimated, including its relativity to natural vegetation. Given the importance of interception by plantations, more understanding is needed on plantation interception and possible tools (such as age class structure management) to manage the impacts on runoff. The Broken catchment interception estimate in particular seems high. A similar concern is the potential disproportionate current and future impact of interceptions on unregulated streams.
- 2.5 The Basin Plan will clearly require the impact of interception activities to be capped and potentially reduced. This will increase the costs of future forestry and rural residential activities (such as piped water rather than farm dams).
- 2.6 A key issue is the locality specific nature of the SDL's. The smaller valleys in particular are disadvantaged by the proposal to take all SDL reduction from stream diversions. It would be more appropriate to ensure that in-valley environmentally needed SDL reduction is sourced from within the valley, but that down-valley contributions are sourced from wherever best sourced. This also fits with future water trading flexibility, where water would be able to trade to wherever it has highest value, only constrained by legitimate in-valley environmental needs. This could be achieved by allowing SDL's to be moved between catchments, or by setting SDL's across larger geographic locations (as with the current MDB water use caps). Doing so reduces the potentially high impact of forcing substantial water use changes in small valleys.
- 2.7 A further concern is the lack of consideration of the fate of land after water has been removed. It needs to be moved to another sustainable land use, rather than just have the water removed. A plan needs to be developed for alternative land use for land previously irrigated.
- 2.8 The economic and social benefit from environmental flows appears not to have been adequately taken into account in preparing the Guide. This is the impact of improved flows and an improved environment on regional economic and social activity. The broad numbers in Volume 2 of the Guide appear to be in the same order (at Basin Scale) as the impacts of reduced irrigation production. Work should be undertaken to better understand the scale of these benefits within regions and across the basin as a whole, and how much benefit would accrue economically to communities as opposed to socially. A report, "CSIRO 2003, Natural Values: Exploring options for enhancing ecosystem services in the Goulburn Broken Catchment", may provide some useful perspective on this issue.

- 2.9 I note the intention to develop a salinity and water quality plan for the Basin, but we can find no information on this yet. Salt disposal (and nutrient management) is a critical part of this catchment's long-term management. The GB CMA has been active in salinity and water quality management since the late 1980's with management plans prepared for both threats along with integrated land and water management plans. If the future plan varies significantly from the current plan, it could impact significantly on ongoing agricultural costs such as drainage and salt disposal.

3. OTHER RESTRUCTURING PROGRAM

- 3.1 The Inquiry should be aware of three other significant changes in water in the last 10 years or so.
- 3.2 Firstly, water trading has resulted in approximately 100,000 ML of high reliability of entitlement trading out of the Goulburn Broken region to downstream users over the last 10 years. This has reduced the resource base by roughly 10%.
- 3.3 Secondly, in the Broken River catchment, the Lake Mokoan decommissioning project (to create water savings of 45,000 ML/year) involved 8,000 ML of high reliability water shares being purchased out of 26,000 ML of high reliability water shares available.
- 3.4 Thirdly, the Commonwealth has purchased approximately 100,000 ML from the Goulburn Broken region for environmental flows over the last 3 years.