



Peak body for five landholder associations and 1600 irrigators in the Murray Valley

Supplementary Submission to the House of Representatives Standing Committee on Regional Australia

*Inquiry into the Impact of the Murray-Darling Basin Plan on
Regional Australia*

February 2011

Southern Riverina Irrigators (SRI) would, firstly, like to thank the Committee for holding an inquiry meeting in Deniliquin, to give regional groups the opportunity to speak directly to the inquiry; and secondly, SRI would like to commend the Chair, Mr. Windsor, for releasing the interim findings of the Committee.

These findings represent very important and significant concerns for the irrigation communities and rural communities and SRI is pleased to see recognition of these concerns in the context of the Murray Darling Basin (MDB) Plan.

SRI appreciates the opportunity to submit a supplementary submission to the inquiry to clarify its position on key issues raised during the inquiry sitting in Deniliquin.

Introduction

The major concern of the irrigation community is ensuring access to the water resources and the continuing issue of property rights.

The *Guide to the proposed Basin Plan* (Guide) is successful in perpetuating, not only the fears of irrigators, but also the concerns of the rural communities that have built up around these irrigation industries. There is a very clear indication from the content of the Guide and the *Water Act 2007* that the social and economic needs of communities will only be considered after the perceived needs of the environment are met.

In its submission to the MDBA, SRI outlined numerous concerns with the assumptions and modelling outcomes presented in the Guide, which have led to the recommendation that 3,000 – 4,000 GL be removed from productive use to return to the environment.

It is this founding assumption of Guide and the social and economic aspects of the *Water Act 2007*, which, in the opinion of SRI, needs to be given full consideration by the Committee, in order to elucidate the social and economic impacts on rural and regional communities, as outlined in the inquiry's Terms of Reference, rather than focus on a method of delivery.

Supplementary response to the House of Representatives Inquiry:

ALLOCATION SYSTEM

There were a number of questions posed by the Committee during the Deniliquin meeting that were of concern to SRI, focused on the use of the allocation system as a means of implementing the Basin Plan, which are as follows:

“One possibility out of this process is that we go back to a state based process with the borders. That was not what was indicated or intended by either side of Parliament at both state and Commonwealth levels back in 2007. Would you prefer the state based mechanism? Is your group keen to see some sort of national mechanism different from what the Authority is doing? Conceptually what would you prefer to see?”

“Would you rather see a process maintained state by state – allocation against entitlement – or some sort of national scheme across borders?”

“Would you rather see the allocation process be the regulator or some other process?”

SRI holds concerns that these types of questions go beyond addressing the impacts of the *Water Act 2007* and the proposed Basin Plan, to finding a method of implementation for the recommendations of the Basin Plan, which SRI believes the Committee should not consider until it has made findings on the impacts of the proposed Basin Plan.

SRI continues to be extremely concerned in regards to the impacts of the proposed Basin Plan on the NSW Central Murray region and would like these issues to be resolved before determining a means of implementation of a national water management strategy.

SRI is very supportive of the state-based allocation process, which has been able to allow for the successful function of the allocation system throughout the Basin, and in particular NSW. SRI believes that states have the knowledge and the understanding of their own water systems to adequately make the best decisions for the communities reliant on the water resources; and without this experience and knowledge there is a serious risk of the system not working to meet the needs of all river users.

Further, the WSP for the NSW Central Murray system is, in the opinion of SRI, a very appropriate water sharing plan, as it is very reflective of the climatic conditions – NSW Central Murray water allocations are very much in line with rainfall received over the catchments. Additionally, the majority of farming in the NSW Central Murray is primed work with this system, to allow for maximum production flexibility, according to the season, rather than be removing a constant amount of water from the system.

The state WSPs in NSW were instituted in 2004 and were then suspended in 2006, due to the record low inflows during that time, to allow for emergency management of water resources. Therefore, the new WSPs implemented in 2004 have only functioned for two years, and with the reinstatement of normal WSPs in NSW as of 1 July 2011, there will only

be a further three years for the WSPs to have the opportunity to demonstrate the success of the reforms.

SRI believes that this is a significant flaw in the management of MDB Planning, in that initiatives implemented, such as new WSPs, the Living Murray initiative, the Water for Rivers Program and the Land and Water Management Plans, have not given the opportunity to demonstrate their effect on water management in the MDB. Each of these initiatives has been focused on ensuring better management of the MDB ecosystems and water resources, but due to drought or changed government policies, the initiatives have not been seen through to completion. As such there has been a significant lack of accountability for the success of such initiatives and plans, which SRI believes that the Committee should note in its findings. Without a method of accountability SRI does not believe that MDB policy and planning changes should continue.

In light of the precautionary principle adopted in regards to MDB management, this failure to allow for accountability is having significant impacts on the confidence in rural and irrigator communities, in regards to the necessity and appropriateness of reforms, due to the ever shifting goal posts – the Living Murray recommended 1,500 GL to be returned to the environment immediately prior to the drought, and only five years later the MDBA Basin Plan recommends scenarios whereby 3,000 GL, 4,000 GL or 7,600 GL are returned to environment.

However, this is not to suggest that there is no need for a national water plan, but in terms of water management, SRI does not support the wresting of further water management powers from the states by the Commonwealth Government.

Regardless of the method of implementation, the level of 3,000 – 4,000 GL is an unacceptable range of cuts to productive water from across the Basin. SRI feels that the Parliamentary inquiry needs to consider, firstly, the appropriateness of these recommendations and, secondly, avenues for reducing the amount of recommended cuts to productive use, through alternative infrastructure and efficiency options, as per the Committees' Terms of Reference, in order to reduce the social and economic impacts of the Guide on rural and regional communities, and espoused in the National Water Initiative.

“Conceptually”, in terms of a national water management arrangement, SRI would like to see a system that is a grass roots movement, as opposed to the top down nature of the MDBA; local knowledge needs to be a significant component of a national strategy, with provisions for micromanagement of the river system, in line with national coordination. SRI refers to the Land and Water Management Plans implemented in the mid-1990s as evidence of a very successful model for grassroots reform; communities had involvement and ownership of the environmental management reforms, ensuring their support for the proposed reforms, which in turn led to the successful adoption and implementation of the programs.

To reiterate, SRI believes that state involvement in the MDB reform process is essential for a successful national management program – SRI does not support Commonwealth government action that revokes water management rights from state authorities.

Additionally, local knowledge development is an important part of the concerns of many local groups; SRI has undertaken significant work to develop a single document containing much of the local knowledge, ideas and initiatives for the river systems in the NSW Central Murray region.¹ SRI believes that the Committee should, in its findings, recommend that more resources be allocated to developing local knowledge, rather than give funding solely to the Murray Darling Basin Authority.

Further, SRI would like to again highlight to the committee that the period of 2006 – 2010 has been exceptional in terms of low rainfall and that, despite the planning of water regulators, it is impossible to create more water for the system, for the environment or for productive users. Despite the new arrangements of large packages of water being held by the Commonwealth Environmental Water Holder (CEWH), the levels of environmental water will not be able to make the system completely drought proof, and the system will continue to be dependent on the rainfall and once water allocated to the environment has been used – it is gone. Water for any purpose has a limited capability to be used, in the sense that once it has been released from the dam it will evaporate or flow through the end of the system.

¹ The Committee has received this paper from Louise Burge as a formal submission to the House of Representatives inquiry.