
The Parliament of the Commonwealth of Australia

Report on the inquiry into the management and use of Commonwealth environmental water

**Inquiry into the management and use of Commonwealth
environmental water**

**House of Representatives
Standing Committee on the Environment and Energy**

December 2018
Canberra

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Foreword

I am pleased to present this report on the management and use of Commonwealth environmental water.

Setting aside water for environmental purposes is a relatively new practice and this inquiry provided an opportunity for the Committee to acquaint itself with progress being made.

As discussed in the report, the views and information provided to the Committee are generally positive towards the Commonwealth Environmental Water Holder. While current arrangements appear to be working well, there can always be scope to make improvements and refinements, such as in relation to communication and consultation.

I would like to thank all the individuals and organisations who contributed to the inquiry, as well as those who assisted with the Committee's site inspections.

Mr Andrew Gee MP
Chair



Membership of the Committee

Chair Mr Andrew Broad MP (to 28 August 2018)
Mr Andrew Gee MP (from 11 September 2018)

Deputy Chair Mr Pat Conroy MP

Members Hon Warren Entsch MP
Mr Trevor Evans MP
Mr Luke Howarth MP
Mr Craig Kelly MP
Mr Peter Khalil MP
Ms Anne Stanley MP

Committee Secretariat

Secretary Ms Peggy Danaee
Ms Shennia Spillane

Inquiry Secretary Mr Nathan Fewkes

Research Officer Ms Emily Teding van Berkhout

Administrative Officer Ms Kathy Blunden



Terms of reference

On 28 February 2018, the Committee resolved:

That, pursuant to standing order 215(c), the Committee examine the 2016–17 annual report of the Department of the Environment and Energy. In doing so, the Committee will inquire into and report on the management and use of Commonwealth environmental water, giving particular consideration to the role of the Commonwealth Environmental Water Holder in:

1. maximising the use of environmental water for the protection and restoration of environmental assets;
 2. considering innovative approaches for the use of environmental water;
 3. monitoring and evaluating outcomes of the use of environmental water; and
 4. options for improving community engagement and awareness of the way in which environmental water is managed; and
- any other matters of relevance that the committee wishes to consider.



Executive summary

In the Murray-Darling Basin area, governments have agreed to set aside a proportion of water for environmental purposes (environmental water), to be used at times and locations where plants and animals benefit from higher river flows or replenishing wetlands.

A sizeable quantity of environmental water is controlled by the Australian Government. The Commonwealth Environmental Water Holder (CEWH) and staff in the Department of the Environment and Energy oversee how this water is managed. The *Water Act 2007* (Cth) outlines the CEWH's functions, powers and responsibilities. This includes a responsibility to protect and restore environmental assets in the Murray-Darling Basin.

Current legislative and policy arrangements aim to balance environmental objectives with water made available for consumptive uses. While healthy rivers have wider social, cultural and recreational benefits, witnesses frequently reminded the Committee that water availability also impacts on economic prosperity and agricultural production.

Environmental water is a relatively new concept – both in Australia and internationally. As knowledge and experience in managing environmental water develops, standards of best practice will continue to evolve. In this context, the inquiry has provided a timely opportunity to consider:

- How is Commonwealth environmental water currently being managed?
- Can it be done better? Is there scope to improve?
- What progress has been achieved?

In general, views presented during the inquiry praised the CEWH's work and the way environmental water holdings are being managed. The overall benefits from environmental watering are likely to become apparent over the long-term. For

example, eastern Australia is currently experiencing a drought, which may have a temporary impact on environmental conditions.

During the inquiry, the Committee heard generally favourable views of the CEWH's performance.¹ For example:

- A submission from Deakin University stated that Australia's system of held environmental water is a 'world-leading position' and 'the envy of many.'²
- The Nature Foundation SA Inc commended the CEWH for establishing a 'robust system' for managing environmental water.³
- Professor Michael Stewardson (University of Melbourne) said that with active management of the CEWH entitlement, 'environmental water punches above its weight.'⁴
- The National Farmers' Federation described the CEWH's performance as being 'sound, considered and consistent' with water being used 'as well as it can be in the regulatory paradigm that exists.'⁵
- The NSW Irrigators' Council submitted:

In reality, the CEWH has only had less than five years of experience in larger scale environmental water deployment, and it is premature to judge performance to date too critically.⁶

The Committee has recommended that certain practices continue, including the 'good neighbour' policy, working with Indigenous communities, funding complementary measures and water trading. Continued investment in infrastructure programs ensures that water efficiency is optimised.

While the CEWH's efforts were recognised, witnesses and submissions identified areas where there is potential to make improvements:

- Enhancing public awareness and communicating outcomes relating to environmental watering actions. The CEWH should update its

¹ Dr Jonathan Howard, *Submission 16*, p. 3; Mr Gavin McMahon, Chairman, National Irrigators' Council, *Committee Hansard*, Mildura, 1 May 2018, p. 17; Mr Garry Hera-Singh, Chairman, Southern Fishermen's Association, *Committee Hansard*, Murray Bridge, 2 May 2018, p. 7; Dr Anne Jensen, *Committee Hansard*, Murray Bridge, 2 May 2018, p. 8.

² Deakin University, *Submission 10*, p. 2; see also Professor Robyn Watts, Charles Sturt University, *Committee Hansard*, Albury, 30 April 2018, p. 10.

³ Nature Foundation SA Inc, *Submission 22*, p.5; see also Dr Anne Jensen, *Submission 25*, p. 3.

⁴ Professor Michael Stewardson, University of Melbourne, *Committee Hansard*, Albury, 30 April 2018, p. 8.

⁵ National Farmers' Federation, *Submission 29*, p. 3; see also Mr Les Gordon, Chair, Water Taskforce, National Farmers' Federation, *Committee Hansard*, Canberra, 23 May 2018, p. 1.

⁶ NSW Irrigators' Council, *Submission 32*, p. 4.

communications and engagement strategy and review the adequacy of its existing mechanisms for consultation with the community.

- The CEWH should consider establishing an advisory or consultative group to inform environmental water use decisions.
- Utilising the best available technology to monitor water movements and assess environmental conditions.

This report is structured as follows:

- Chapter 1 provides an introduction to environmental water and other background information;
- Chapter 2 relates to environmental water management issues, potential areas for improvement and environmental watering challenges;
- Chapter 3 considers how outcomes are being evaluated, measured and monitored; and
- Chapter 4 discusses how community awareness and engagement could be improved, including how local expertise and knowledge is being utilised.



List of recommendations

Recommendation 1

The Committee recommends that the Commonwealth Environmental Water Holder continue to:

- apply the 'good neighbour' policy;
- coordinate with state water managers and other partners to optimise environmental water releases;
- provide regular updates on environmental watering activities and outcomes;
- make funds available for non-flow complementary measures and projects, such as pest control and weed eradication;
- trade water that is excess to environmental requirements; and
- foster partnerships with the private sector and non-government organisations.

Recommendation 2

The Committee recommends that the Commonwealth Environmental Water Holder work with the Murray-Darling Basin Authority on practical methods to shepherd environmental water in a manner consistent with the rights of other water holders.

Recommendation 3

The Committee recommends that the Australian Government continue to fund and support an infrastructure program aimed at optimising water efficiency in the Murray-Darling Basin.

Recommendation 4

The Committee recommends that Basin states work to ensure that environmental water flows achieve their aims. Basin States should further ensure that reporting is comprehensive, timely and evidence-based.

Recommendation 5

The Committee recommends that the Commonwealth Environmental Water Holder's Knowledge Management Project and Long-Term Intervention Monitoring Project (or similar projects) be continued.

Recommendation 6

The Committee recommends that the Commonwealth Environmental Water Holder investigate additional monitoring techniques, including:

- aerial or satellite imagery; and
- observations and reports from experienced volunteers, including land holders, State authorities and other groups such as the Southern Fishermen's Association.

Recommendation 7

The Committee recommends that the Commonwealth Environmental Water Holder develop an updated communication and engagement strategy.

Recommendation 8

The Committee recommends that the Commonwealth Environmental Water Holder continue to work and consult with Indigenous communities to further understand and inform sympathetic water use policies.

Recommendation 9

The Committee recommends that the Commonwealth Environmental Water Holder review the adequacy of its existing mechanisms for consultation with the community. This review should consider if there is any benefit in establishing a formal advisory or consultative group to inform water use decisions.

