



National Farmers' Federation

Submission to

The House of Representatives Environment and Energy
Committee

On the management and use of Commonwealth environmental
water

17 April 2018

NFF Member Organisations



Australian Chicken Growers' Council Ltd



CANEGROWERS



CORPORATE AGRICULTURAL GROUP



The Pastoralists' Association of West Darling



WOOLPRODUCERS AUSTRALIA



The National Farmers' Federation (NFF) is the voice of Australian farmers.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services as well as state-based policy and commodity-specific interests.

Committee Secretariat
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Canberra ACT 2600

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Dear Committee Secretariat

The National Farmers' Federation (NFF) thanks you for the opportunity to make comment on the *House of Representatives Environment and Energy Committee's Inquiry on the management and use of Commonwealth environmental water*.

On matters related to water, NFF is the only national body that brings a 100% farmer-focused viewpoint. NFF represents the interests of farmers that are affected by water management decisions including irrigators, riparian and floodplain landholders and stock and domestic users.

On balance NFF regards the operation of the Commonwealth Environmental Water Holder (CEWH) in respect of the management and use of environmental water to be sound, considered and consistent. While no system of management is perfect the broad consensus seems to be that the water held is being used as well as it can be in the regulatory paradigm that exists.

Response to the specific terms of reference

The Committee will inquiry 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;

It is the view of the NFF that there are still many gains to be made in relation to the efficient use of environmental water and the management of environmental flows. The goal must be to deliver improved environmental outcomes from the portfolio of water that has already been recovered for the environment – in essence more environmental outcome per unit of water held and delivered.

NFF recognises that the active management of an environmental water portfolio is still a relatively new endeavour for Governments, and continuous improvement has been a focus for agencies such as the CEWH, and state based equivalent entities. It is also acknowledged the considerable good will that exists for collaboration between the parties with responsibilities for the different components of the management of environmental water.

However, continued concerted effort is required to ensure that we make the most of the water that has been recovered from production for the benefit of the environment, and efficient and effective governance arrangements are central to this.

In NFF's view, the following principles should be the basis for environmental water planning and management arrangements that should underpin the framework directing the investments that the Commonwealth Environmental Water Office makes in environmental activities:

- administrative efficiency of the institutional structures that ‘own’ held environmental water portfolios;
- clearly articulated 5-10 year Basin-wide environmental outcomes for connected water resources areas;
- clearly articulated 5-10 year catchment outcomes, and annual watering priorities that contribute to achieving Basin-wide outcomes;
- water delivery arrangements that recognise that held environmental water is one of many ‘customers’ of a water service provider. Service providers must operate within recognised constraints to delivery;
- integrated management of *all* water dedicated to the environment, regardless of who owns it and regardless of its form (i.e. held or planned water). In NFF’s view, management through the water resource plan process at a catchment scale most supports integrated management;
- integrated management of important environmental assets which recognise that the volume and timing of watering events is only part of the solution and that non-flow efforts may also play an important role. In NFF’s view, management at a catchment scale most supports integrated management and the incorporation of local knowledge and expertise; and
- holistic and coordinated monitoring and evaluation that is used to inform future management actions and is able to describe the extent to which environmental outcomes are being achieved.

Consideration of the full range of costs and benefits associated with water infrastructure development, including important flow on impacts for water users and communities, and the economy as a whole to ensure that water users do not bear the brunt of poor investment decisions from asset owners.

2. considering innovative approaches for the use of environmental water;

NFF acknowledges that the CEWH is required to operate in a complex environment that needs to manage the utilisation of environmental water contingent with State or other legislative requirements. The limitations of where the environmental water is available *vis a vis* the environmental solution that is prioritised for resolution are also significant impacts. It is further acknowledged that there are physical limitations in watercourse capacity especially where industrial and environmental flows are unable to be complementary.

There are some innovations currently being identified and pursued by CEWH, which probably mostly fall into the scope of requiring elegant solutions to difficult problems. For example, the current process of appointing task force to identify options for the protection of environmental water in NSW demonstrates the capacity to collaboratively address issues. There needs to be more of this type of outcomes targeted collaboration.

Other priority areas for innovative complementary solutions (and some are underway) include water temperature management at release, eradication of carp, improvement of fish transition infrastructure and hydrological connectivity.

There are likely to be technology changes becoming available, NFF notes that the emergence of, for example, blockchain, which could provide the capacity for greater transparency and reliability of data. It could also facilitate peer to peer trading of water, including for the environment, into the future.

Importantly, there needs to remain a key focus on ensuring that utilisation of environmental water is done as efficiently as possible. Priority considerations include timing of release, and for what purpose/s, can the environmental water supplement a release of industrial water, or conversely will

piggy backing or shouldering with industrial water create perverse high flows with deleterious effects on landholders. Perverse outcomes including evaporation and water quality decline from releasing environmental water in insufficient amounts or from inappropriate sources to resolve the targeted problems should be avoided. NFF acknowledges that these are considerations that are currently applied, and continued diligence is required.

When thinking about innovation it's important to consider that the proceeds from trading water may be invested anywhere within the Basin. The catchment from which water is traded from shouldn't necessarily determine the area in which this money is invested. Investment should flow to the environmental activities that best improves the capacity to achieve the environmental objectives of the Basin Plan.

3. monitoring and evaluating outcomes of the use of environmental water; and

As noted in point one above NFF endorses the principle of holistic and coordinated monitoring and evaluation which is used to inform future management actions and is able to describe the extent to which environmental outcomes are being achieved.

This applies equally to environmental water as it does to other users. In such a continually emotive and politically charged debate more and more reliance on quality and reliable data is inevitable. And it must reflect the landscape condition at the time. For example salinity indicators, whilst targeted to gauge long term returns, must also reflect substantive impacts – at the conclusion of significant dry periods it is likely that a weather event creating flooding or substantial run off will see a salinity spike due to dryland salinity accumulation in the landscape, these 'spikes' should be contextually recorded.

4. options for improving community engagement and awareness of the way in which environmental water is managed; and

NFF acknowledges that the CEWH is developing a consultative network within the MDB, there is scope for more development in this area, and it is noted that the CEWH acknowledged that in parliamentary evidence to this committee on 28 March 2018.

Inevitably there will continue to be concern expressed about the utilisation of environmental water, whether it meets the target, and if it has perverse or unanticipated consequences. NFF supports open, balanced and continued dialog with the community at local, regional, catchment and basin levels to mitigate any surprises and maintain as much clarity as possible.

5. any other matter of relevance that the committee wishes to consider

a] Governance arrangements for the CEWH;

NFF is concerned that the CEWH exists as a sole statutory office and appears to have no mechanism for formal advisory/consultative engagement. There is an operating environment enabled by formal legislative and administrative means which serve as appropriate reference points for outcomes, reviews and forward planning. They do not provide any sort of mechanism for the CEWH to, formally, take the mind/s of appropriately qualified people to enhance the outcomes of the role. NFF does not have any difficulty with the actions in this respect by past or present CEWHs. This point is raised in the context of providing more capacity for support for the important role. NFF would seek that an advisory council or reference group be considered as an option. It is not, at this point, necessary to be considering statutorily appointed governance bodies

b] Is there a mechanism, or could there be, to protect participants in water efficiency and other projects on the ground

NFF is concerned that in a maturing landscape for the management of the MDB there are emerging issues of community disharmony that may exist as a consequence of individuals taking the opportunity to access efficiency measures. This had the potential to be escalated as engineering and other efficiency measures are introduced. A difficult issue to resolve is how those individuals can be protected from criticism/victimisation if they are acting compliantly. The level to resolve this is by transparent communication as discussed above. A mature discussion on the attributes of various projects needs to be promulgated both to the individual participant and also in broader communications.

c] Shepherding of environmental water.

To reinforce what NFF understands to be the current intention, it will remain important in negotiations with other water owners that opportunities to release multiple types of water for multiple purposes for multiple outcomes be considered. While it is acknowledged that peak demand times for the environment (typically spring) and industrial water (typically summer) will not always logically align, where there is scope for environmental water to be released ‘on top of’ or ‘alongside’ industrial water and leverage the environmental outcome at no cost to industry then it should be contemplated and implemented where sensible.

NFF would be pleased to engage further with the committee on this issue, please contact Warwick Ragg, General Manager NRM, [REDACTED].

Yours sincerely

TONY MAHAR
Chief Executive Officer