



# National Irrigators' Council

Level 2, NFF House, 14-16 Brisbane Ave  
Barton ACT 2600  
Ph. 02 6273 3637

Ph: 02 6273 3637  
ABN: 92133308326

All Basin Water Ministers

Dear Minister

## **Re. Basin Ministers meeting 17 December 2019**

The December Ministerial council comes at a challenging time for water management in the Murray Darling Basin. Difficult issues and real challenges are being magnified many times over by the suffering caused by drought and the impacts of changed availability of water.

At the outset can I make it clear that our members, representing irrigators from across the Basin, do not see pausing or ditching the Basin Plan as a positive option for anyone – including the long-term interests of irrigators and irrigation communities.

However, there are problems that must be addressed. We recognise that each Government will seek to achieve the best outcome for its own constituency, but we expect to see leadership that transcends the life of current Governments and seeks the best possible outcome for the longer term.

### **Basin Plan**

National Irrigators Council (NIC) continues to urge sensible constructive action to address significant issues around Basin Plan implementation.

In our letter to you for the previous meeting we urged Ministers to take positive action to implement the recommendations from the ***Productivity Commission's five-year review of the Basin Plan***.

It would be fair to say we were disappointed by the COAG response that was released after the last meeting. I have attached a copy of the letter NIC sent to the Federal Minister regarding that response.

Once again, NIC urges Ministers to act positively on the Productivity Commission recommendations.

Our members remain extremely concerned by lack of progress on the ***Sustainable Diversion Limit Adjustment Measures***. There is a fundamental disjoint in responsibility for implementation of these projects vs consequences of failure.

Irrigation communities will bear the cost of failure to achieve 605GL of equivalent benefits and we remain extremely concerned that the lack of progress on many

projects means we will see more water purchased by the Federal Government in 2024.

This would be an extremely unfair and damaging outcome. Irrigators have done their share of heavy lifting - one in every five litres of previously available productive water purchased for the environment. We expect Government to accept its responsibility to get 605GL worth of projects implemented, as part of that we continue to urge maximum flexibility in how and what is delivered.

That includes ensuring the flexibility to change projects (including introducing new projects) if they can produce better results for the environment and communities.

We also strongly support the Productivity Commission's calls for better modelling of the capacity to deliver additional water from the 'up-water' component of the Plan. NIC welcomed the NSW & Vic action on this from the last meeting but we need to see if followed through.

As we have highlighted in a recent submission to the WESA review, we do not believe the 'schedule 5' environmental outcomes can be delivered via additional flows and would urge reconsideration of the water only prescription to focus on actual environmental outcomes, not just flow targets.

NIC is concerned about **Water Resources Plans** and the difficult process of drafting the NSW Plans in particular. NIC members in NSW, along with the NSW Irrigators Council, have worked very hard to try to ensure that the Plans do not lock out of the consumptive pool any under-utilisation. This process along with several others seems to expose a confusion between information and consultation. Our communities expect the latter, real consultation not just telling people what is being planned.

### **Inspector General and Northern Basin report**

NIC supports the Inspector General having appropriate powers to effectively fulfill the role. NIC believes the Inspector General's role should add value to and not duplicate the role of plethora of other organisations involved with water.

NIC welcomes the Inspector General looking into the impact of changing distribution of inflows in the southern Basin and impacts on state shares from reserves, including how these interact with State allocation policies and the allocation and water sharing arrangements. Arrangements determined last century are unlikely to be able to remain fixed in time, while every other variable around them changes.

The arrangements are subject to interstate agreement, so this is not about the Inspector General making unilateral change. NIC recognises that each State is likely to protect its own interests. NIC would, however, urge Ministers to be willing to look constructively, with an open mind, at any recommendations the Inspector General might bring forward.

NIC notes the Northern Basin report released recently, and we broadly agree with the recommendations from the report. The report's commentary on the relationship

between the Federal Department and States is particularly important; the adversarial relationship described is not conducive to getting the supply measures projects in place and it needs to change.

## **River Management**

The last Basin Minister's meeting dealt with concerns around delivery constraints in the Murray. NIC is concerned that it appears the outcome from the last MinCo was to pursue that issue internally.

That was contrary to the action NIC advocated; we continue to strongly believe that this is an issue that needs action in close consultation with industry. NIC put forward to the last meeting, several policy objectives for dealing with deliverability; we have yet to see evidence of consistent action from Basin states in addressing those issues. If there is a report on these issues presented to the meeting, we urge Ministers to make it publicly available and to detail further actions.

Similarly, we expect industry to be genuinely consulted on dealing with issues around losses and we want to see action on improving transparency around river management issues.

We do welcome the ACCC inquiry into the water market but note that many of the river management issues remain squarely the responsibility of Basin Governments not the operation of the market.

NIC would be happy to discuss any of these issues in more detail.

Yours sincerely



**Steve Whan**  
CEO

Ph. 0429780883

Email: [ceo@irrigators.org.au](mailto:ceo@irrigators.org.au)

cc. Basin water Ministers

Attached: NIC letter regarding COAG response to Productivity Commission five-year review of the Basin Plan



# National Irrigators' Council

Level 2, NFF House, 14-16 Brisbane Ave  
Barton ACT 2600  
Ph. 02 6273 3637

Ph: 02 6273 3637  
ABN: 92133308326

The Hon David Littleproud MP  
Minister for Water  
Parliament House  
Canberra ACT 2600

Dear Minister

## Re. Response to the Productivity Commission five-year review of the Basin Plan

NIC has previously expressed its support for implementation of the recommendations from the Productivity Commission's five-year review of the Basin Plan.

Unlike some other reviews and inquiries, the PC review approached its task in a balanced way, producing a very challenging report but one which fairly articulated some of the difficult implementation challenges.

NIC has now had the opportunity to review the response to the report from COAG.

While we welcome the Basin Governments agreement with many of the recommendations, we are concerned that in several cases the response falls short of providing adequate commitment, and detail, tackling issues identified.

We feel that, in some cases, reiterating existing action may be putting off difficult issues, with the danger that lack of progress results in poor environmental outcomes and calls for further water-recovery in the longer term.

This is particularly the case with recommendations around the delivery of the Sustainable Diversion Limit Adjustment Measures (SDLAM) and the 450GL efficiency program.

Other concerns include the need to look at actual environmental outcomes, and how they can be most effectively achieved, rather than just focusing on flow targets which, in a number of scenarios, do not achieve environmental improvement.

We recognise that agreement between all Basin Governments to a single response on this report was an achievement in itself, however we do feel that in some cases this had led to a fairly wishy-washy outcome.

NIC supports the intent, outlined in the response, in terms of greater engagement of first nations communities and achieving better cultural outcomes. We recognise the legitimate aspirations of indigenous communities and look forward to working with them in the future.

NIC attachment

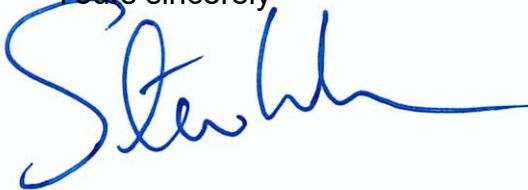
The actions proposed to respond to climate change are also noted. Irrigators, along with other farmers, are at the front line when it comes to negative impacts of climate change, our sector deals every day with the impacts of greater variability and reduced run off.

Irrigation infrastructure is a key mitigation tool for the impacts of climate variability and irrigators continue to innovate and improve water efficiency. NIC strongly supports improved monitoring and measurement as indicated in the paper.

Attached is a more detailed outline of concerns with some of the responses to recommendations.

As you know, NIC has been proactive and positive with its engagement with Government on the implementation of the Basin Plan. Irrigation communities and the industry have experienced significant negative impacts from the plan. Nevertheless, we continue to support an outcome which provides for healthy rivers, healthy communities and a continuing capacity to produce food and fibre for Australia.

Yours sincerely



**Steve Whan**  
**CEO**

5 September 2019

# National Irrigators' Council comments on Government responses to the Productivity Commission five-year review of the Basin Plan September 2019

## Chapter 3 – Recovering water for the environment

### Recommendation 3.10 recovered water

NIC appreciates that there remain issues to be resolved before finalising how over recovered water will be dealt with. However, it is a concern that there is no clear commitment to consultation with the valleys affected. The comment about any solution needing to comply with legislative requirements including the CEWH also flags a concern - if it prevents action. It would be seen as inconsistent if Government continues to pursue recovery in under recovered areas, but was not willing to deal appropriately with over recovery.

### Recommendation 3.2 transparency with water recovery

NIC appreciates the sentiment expressed in the agreement in principle looks forward to seeing this transferred into actual practice.

### Recommendation 3.3 adverse impacts or recovery

NIC appreciates the sentiment expressed by COAG by agreeing to this recommendation but emphasises the need to ensure that further water-recovery is avoided in future if at all possible.

### Recommendation 4.1 supply measures

NIC welcomes COAG agreeing with recommendation 4.1, however, we seek further information on risk sharing arrangements. NIC remains concerned that there is a separation of responsibility for delivery - which rests governments - and the consequences of failure to deliver - which fall on irrigators and regional communities. We would like to have seen a stronger commitment this area and look forward to being part of further work to define the risk sharing arrangements.

### Recommendation 4.2 extending the 2024 deadline

NIC is disappointed by the response on this item, we feel that governments are not facing up to their responsibilities in delivering supply projects. NIC understands that governments do not wish to 'take their foot off the accelerator' by allowing an impression that dates will be extended, however industry feels that given government has yet to put its foot on the accelerator, it would provide far more certainty if communities were able to be given assurance that there will be maximum flexibility with projects, and some flexibility with time, to avoid a situation where in 2024 further water-recovery is embarked on because of failure to deliver projects which might ultimately produce positive environmental outcomes.

We welcome the commitment that it is possible that deadlines for these specific initiatives may need to be revisited on a case-by-case basis but feel that this may be deferring an inevitable problem.

**NIC attachment**

The very slow pace on these projects is clearly confirmed by the fact that the response indicates that in many cases gateway assessments are yet to be complete. This lack of progress is frustrating for industry and communities.

Comment on the document noting that stakeholder engagement for the Menindee lakes water saving project has recommenced is noted with interest, at this stage to NICs knowledge there has been no consultation with industry peak bodies or communities who could be adversely affected the project does not proceed. NIC is not aware of the level of consultation with people in the local area but hopes it is occurring.

#### Recommendation 4.3 reconciliation

No comment required

#### Recommendation 4.4 gateway processes for supply measures

While we welcome agreement in part, it is a concern that commitment is somewhat muted. NIC is not confident that experience to date shows that internal departmental processes will be able to progress these projects. It is a real concern that a gateway is only now being implemented, we expect to see a much greater level of community engagement and we would like to see a much more consistent and committed focus on delivery by Governments.

It is of concern that it appears that funding to progress these projects is used as a lever in intergovernmental negotiations.

#### Recommendation 4.5 northern basin toolkit

NIC welcomes the response on this item. Implementation of toolkit measures must be a high priority for Basin governments.

#### Recommendation 5.1 modelling of constraints supply measures

NIC notes that the response on this item is “agree”. The text accompanying however would indicate that governments have not agreed to this recommendation. NIC felt was important to gain an early understanding of what a realistic scenario was with return of the 450 GL of environmental water combined with relaxation constraints. There is broad concern that it will not be physically possible to deliver the enhanced environmental outcomes and early identification of problems might enable alternative solutions to be considered.

NIC notes the decision by Victoria and New South Wales to undertake independent modelling, it would appear that this modelling could be used by Basin governments to achieve the aims outlined by recommendation 5.1 however further information is required. NIC does not believe conducting these studies should stop or pause any implementation of SDLAM projects.

NIC notes the announcement of an [independent review into the Water for the Environment Special Account](#). We would be interested to know how this review might intersect with the issues identified by the PC.

#### Recommendation 5.2 efficiency measures and schedule five environmental outcomes

NIC remains concerned that some of the issues highlighted by the Productivity Commission in this are not addressed. Irrigation communities are very concerned about the efficiency measures program and, similar to the point made on 5.1, we are concerned about further water being taken out of productive, and then additionally concerned if it does produce the intended environmental outcome.



### Recommendation 5.4 schedule five enhanced environmental outcomes

NIC is concerned by the rejection of this recommendation. Leaving an assessment of the likely ability to achieve schedule five outcomes until 2024 is cause for concern, irrigators would be concerned if we have seen water removed from production through efficiency measures and a significant amount of taxpayers money expended only to find in 2024 that the savings are not able to be effectively delivered or are not in the right place to meet the objectives outlined.

To be quite blunt, our fear is that these objectives would be brought back by a future government with demands for water-recovery to meet them.

It would seem appropriate that in 2021 we should look at the likelihood of success look at whether the section 5 environmental outcomes are realistic and whether there are other methods more effectively able to achieve them. For example, if it is not possible to achieve overbank flows for all the target wetlands in South Australia is there a need for alternative infrastructure investment to deliver water. Similarly, are there measures around management of the Lower Lakes capital projects which could more effectively contribute to the health of the Coorong than the very simplistic and inadequate solution of just putting more freshwater out the mouth of the river.

## Chapter 6 – Water resource planning.

NIC is comfortable with the responses on Water Resources planning as far as they go. It is noted that this remains a very difficult job and, despite being comfortable with the response and the pressing need to get these finalised, we are concerned about the process of vetting plans being undertaken by the MDBA. Our concern in this area relates to whether substantive rewriting will move these plans away from what has been negotiated with stakeholders.

## Chapter 8 – Water quality

### Recommendation 8.1 – salt export objective

The COAG response says this recommendation is agreed in principle. Unfortunately, the critical aspect of this is timing and COAG has not accepted the need to review these objectives in 2020. The Productivity Commission has indicated that there is evidence that the salt export objective will not be met, not because of lack of flow but because other salt schemes in the Basin have been effective.

That raises a very real question about whether the Plan is about environmental outcomes or just ticking off targets which produce no benefit. This may or may not be the case with the salt export objective but clearly it has been identified by the Productivity Commission as needing to be considered.

NIC does not see how it can be in the interests of a healthy river or its environment to defer consideration of this item until 2026.

### Recommendation 9.1 – Critical Human Water Needs

No issues with response.

## Chapter 10 – water market

### Recommendation 10.1 Water trading rules

NIC agrees with the Productivity Commission recommendation and notes COAGs agreement. We have welcomed the ACCC looking into the water market and look forward to the MDBA work flagged



in the response. NICs policy on trade restrictions is that they should be based on actual physical constraints.

### Recommendation 10.2 – Delivery Capacity Issues

NIC is pleased that Governments have acknowledged this issue, which we raised well before it became pressing. The concern we have about the response, and the consideration by the Basin Ministers Council, is that it does not appear to treat the issue with the urgency it requires, and importantly it contains no commitment to industry consultation on solutions.

NIC is aware that the MDBA has done a substantial amount of work on the issue but we remain concerned that there has been no discussion at all with Stakeholders and that the process still appears to be completely internal to the Ministerial Council and Basin Governments.

NIC is aware that a delivery shortfall was only avoided last season by the CEWH voluntarily agreeing to not request delivery of their water at a peak time. This is an unsatisfactory long-term solution.

We note that Victoria has put in place a moratorium on new Greenfields development until the issue is resolved. We are disappointed that this short-term moratorium is not consistent across the three affected States.

## Chapter 11 – environmental watering

Responses on environmental watering in 11 are generally supported and welcomed. We acknowledge that action is taking place on a number of the items as highlighted in the response, however there are a number of cases where just outlining the status quo is not adequate for the longer term.

### Recommendation 11.4 Environmental watering committees

While COAG has agreed in principle to this recommendation relating to the establishment of a Northern Basin environmental watering committee, the actual text of the response is at best non-committal. NIC strongly supports ground up involvement in catchment and environmental watering decisions, we are not convinced that the NSW, Qld and Federal Governments “establishing a stronger governance and coordination framework” actually provides any commitment at all to community involvement in the process.

This is a disappointing response that needs to be strengthened with real action and consultation.

### Recommendation 11.7 – complementary measures

This is a critical recommendation from the Productivity Commission, backed by recommendations from the Vertessy Report and as advocated by the NIC now for many years. The recognition that environmental outcomes cannot be achieved by flow alone is very welcome, however this needs to be translated into real action. The Basin Plan will not achieve positive environmental outcomes while we fail to tackle cold water pollution, connectivity issues, riparian management, feral pest species etc. These are key components of the Northern Basin toolkit measures, but progress is slow and despite the comment in the response it is not happening in a coordinated way in the Southern Basin.

The responses comment about risk to ecological outcomes being mitigated by increasing the volume of environmental water is flawed. In some cases, addition of water at the wrong time and at the wrong temperature can result in environmental damage.

It is NICs strong view that this response fails to accept the challenge of making complementary measures a much more important and explicit part of the next stages of the Basin Plan.

## Chapter 12 - Compliance

NIC and other irrigator groups have been very supportive of new compliance measures introduced by Governments. Compliance is vital to every water user. We would also acknowledge that there has been a huge amount of work in this area at State and Federal level over the last two years leading to a fundamental resetting of standards. This is welcome and it should over time build community confidence.

In general, we welcome the responses outlined in the COAG report, with one exception.

### Recommendation 12.2 Metering Standards

NIC strongly advocated in its submissions to the Productivity Commission for a review of the Australian Standard for meters (AS4747). The reason for this was that the standard was impractical and would be impossible to implement, our key point was that consultation was needed with manufacturers to ensure the standard was practical.

NIC is somewhat shocked to read in the COAG reply that the Basin Governments undertook a review of AS4747 and determined that it was reasonable. That is the first NIC has heard of this review. NIC is not aware of any consultation with irrigators and would be interested to know what consultation there was with manufacturers.

As far as NIC is aware the Australian Standard still has no recognition for overseas manufactured meters to be recognised as compliant based on testing in reputable other locations. Requirements for testing in Australian independent laboratories have proven to be prohibitive for manufacturers (because of the time it would take as well as cost) and requirements for onsite testing are impossible to meet in a time of drought.

The inevitable result of this is that almost every meter on a higher volume pump used in every state of the Basin will be non-compliant with the Australian standard. Not because Irrigators are avoiding good metering – on the contrary irrigators are and have installed world's best meters in most areas and have shown that they want to cooperate with Government on implementing standards.

They will be non-compliant because of Government failure to address this issue properly.

## Chapter 13 – Reporting, Monitoring and evaluation

NIC welcomes the responses to recommendations in this chapter.

## Chapter 14 – Institutions and Governance

### Recommendation 14.1 – Leadership

While the response from Government is agree in principle to these recommendations it is difficult to see any commitment to taking on board the recommendations, particularly in relation to the Basin Officials Committee (BOC). The BOC plays a very important role in the management of the Basin and implementation of the Basin plan but undertakes its work almost in secret. Stakeholders have no access to the issues being considered by the BOC or the processes undertaken, stakeholders often only see work on issues after they have been subsequently considered by the Ministerial Council and this results, often, in seeing only shortened final positions rather than being engaged in the lead up work.

The review conducted by Mr Claydon is noted, however it is also noted that this, to NICs knowledge, has not been publicly released.

#### Recommendation 14.2 & 3 – MDBA structure

NIC welcomes the Ministers announcement of a Basin Commissioner and the comments the Minister made at the time around this appointment. We acknowledge that the Ministers' comments and this response indicate that further work will be done on the future structure of the MDBA.

NIC does expect that as the Plan is implemented there will be changes to structures to reflect changed roles and to ensure separation of operational and compliance roles. We do not have firm views on what form that should take, we would simply note that the priority now has to be implementation of the Plan and structural change in the authority should not inhibit or slow that priority down.

#### Recommendation 14.4 – Basin Officials Committee

It is noted that the response to this recommendation is that the Governments effectively want no change to the BOC arrangements. NIC does share a concern that the BOC plays a very important role in implementing the Plan but does it with almost no transparency. In some cases, this might be appropriate, for instance where confidential negotiation is needed between Governments. However, there appears to be a range of issues where significant decisions or at least consideration are undertaken by the officials prior or separate to MinCo.

NIC notes the rejection 'at this point in time' of an independent chair. NIC can see arguments for and against having an independent Chair however we feel that the argument that the Commonwealth should continue to be the chair because it 'reflects the role of the Commonwealth in facilitating water reform efforts' is weak at best. It is an argument that certainly does not reflect a cooperative approach to implementing the Basin Plan, reflecting instead what NIC would see as use of funding as a lever to achieve desired actions by States.