



*Submission to: Senate Environments and Communications
Legislation Committee on*

“Water Amendment (Restoring Our Rivers) Bill 2023”

*By:
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making every drop count

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1 Summary and Purpose

This document has been developed by the Gwydir Valley Irrigators Association (GVIA) on behalf of its members as a formal submission for consideration by the Senate Committee on their Inquiry into the Water Amendment (Restoring Our Rivers) Bill 2023 (Amendment Bill).

This document aims to represent the concerns, views and experiences of our members, not as individuals but as a local industry and members of the local community. Each member reserves the right to express their own opinion and is entitled to make their own submission.

Every member of the GVIA is also a member of the NSW Irrigators Council and National Irrigators Council and as such we endorse their submission unless clearly outlined otherwise.

2 Introduction

The Gwydir Valley Irrigators Association (GVIA) as the representative body for irrigation entitlement holders in the Gwydir Valley thank the Senate Environments and Communications Legislative Committee for this opportunity to provide input into the Inquiry into the “Water Amendment (Restoring our Rivers) Bill 2023 (Amendment Bill).

We have in our region, experienced impacts through reduced water availability to industry and the benefits, in terms of environmental water outcomes because of the implementation of the Murray Darling Basin Plan 2012 (the “Basin Plan”). It is important we acknowledge that outcomes are better achieved in collaboration with communities in the Basin, as direct engagement with communities allows for first-hand experience of how policy is transformed on the ground, and what the costs or benefits of that policy may be.

It is critical that we first remember what the purpose and objective of the Basin Plan actually was; a “healthy working basin”.

In reality what does this mean?

What it does mean is that all basin communities work proactively to meet the legislative requirements of the Murray Darling Plan 2012 including achieving LTDLE entitlement for local instream environmental outcomes and volumes for shared contribution. It means that SDLAM adjustment projects and complementary measures are achieved, and that balance is maintained.

A healthy working basin is not one where policy is adjusted to achieve numbers on a page with no consideration of environmental outcomes, community well being or the constraints preventing water or fish passage through the basin. Achieving a healthy working basin requires much more than simply more water.

3 Recommendations

- 1. The GVIA recommends that before any changes to volumes or socio-economic assessments on water purchases are approved the Office of Impact Analysis is engaged to assess the cumulative regulatory impact of the Water Amendment (Restoring our Rivers) Bill 2023 and report to the Federal Parliament as part of this inquiry.**

2. The GVIA recommends that over-recovered water be returned to the Valleys where it was acquired to enhance the sustainability of the environment and the communities within those valleys. We do not support the allocation of water that cannot contribute to environmental outcomes in the southern connected system being allocated to the 450GL water for the environment.
3. The GVIA recommends that Section 86AD remains unchanged.
4. The GVIA supports complementary measures. We recommend that the Northern toolkit continues to be actively implemented and that a basin-wide toolkit be developed to allow the immediate investment in complementary measures, so that the water reserved for the river and the environment is able to produce the desired environmental outcomes and meet the expectations of communities.
5. The GVIA recommends that the basin-wide toolkit should be developed to offset the full volume of water required to be recovered towards the additional 450GL.
6. The GVIA recommends that socio-economic criteria for all programs under the 450GL target remain.
7. The GVIA recommends the reinstatement of the 1,500GL limit on water purchases.
8. The GVIA recommends the removal of “from time to time” to be replaced with a fixed time period, aligning with the completion all other measures within the Murray Darling Basin Plan (2012).
9. The GVIA support the extension of time frames but feel that further extensions may be beneficial to enable many aspects of the plan to be completed.

4 About the GVIA

4.1 Our region

The Gwydir Valley Irrigators Association (GVIA) represents more than 450 water entitlement holders in the Gwydir Valley, centred around the town of Moree in North-West New South Wales. Our mission is to build a secure future for members, the environment and the Gwydir Valley community through irrigated agriculture.

The Moree Plains Shire region alone is highly dependent on agriculture and irrigated agriculture for economic activity contributing over 72% of the value of gross domestic product (cotton is around 60%), employing 20-30% of the population and accounting for almost 90% of exports from the Shire¹.

The 2011 agricultural census estimates that the total value of agricultural commodities for the Moree Plains Shire region was \$911,951,079 up from \$527,744,851 in the 2005-06 census. This is an estimated 7.83% of NSW’s total agricultural production from a 1,040,021Ha principally used for agricultural crops².

The Gwydir is characterised as having low water reliability with most water held as general security water with a reliability of 36% (that means irrigators could expect in the long-term

¹ Cotton Catchment Communities CRC Communities and People Series 2009

² 2010 2011 Agricultural Census Report – agdata cubes, 71210D0005-201011 Agricultural Commodities, Australia

just over a third of their entitlement can be accessed). Supplementary water entitlement is somewhat more reliable with 55% but accounts for less than a quarter of the total volume and Floodplain Harvesting (which accounts for 30% of entitlements in the valley) is episodic and potentially less reliable than other Gwydir surface water entitlements. Groundwater reliability is considered 100% but there is less than 30,000 megalitre (ML) available. All water entitlements are within the Gwydir regulated and un-regulated surface water areas, in addition to groundwater resources, and are managed through water sharing plans, which have been progressively developed since early 2000.

The total volume of water available to be accessed by irrigators has been reduced significantly over time due to reforms as outlined below in Table 1: Summary of Water Reform. Environmental entitlements total more than 186,000ML, including an Environmental Contingency Allowance (ECA) of 45,000ML and an additional cut of 43,000ML following the transition of floodplain harvesting take into the contemporary licencing arrangements of the NSW Water Management Act.

Table 1: Summary of Water Reform

Year	Program	Volume of entitlement
1970	Creation of replenishment flow	5,000ML
1995	Murray-Darling Basin 1993/94 Interim Cap established to limit future growth in access	
1996	Voluntarily 5% reduction general security reliability by establishing the original Gwydir Valley Environmental Contingency Allowance (ECA) of general security equivalent water.	25,000ML General Security
2004	Gwydir Regulated River Water Sharing Plan further reduced reliability by 4%, through ECA increases, enhanced use and storage provision. Rules under the WSP also reduced access, particularly to supplementary flow previously known as high flow.	20,000ML General Security
2006	Lower Gwydir Groundwater Source Water Sharing Plan reduced groundwater entitlements from 68,000 megalitres to 28,700 megalitres.	39,300ML Groundwater
2008 +	NSW State Government has purchased general security and supplementary entitlements for wetlands recovery programme.	17,092ML General Security 3,141ML Supplementary
	NSW Government infrastructure works	1,249ML High Security
	Commonwealth buy-back program.	88,133ML General Security 20,451ML Supplementary
2016	Commonwealth infrastructure programs.	4,508ML High Security 1,392ML General Security
2022	Transition to volumetric Floodplain Harvesting licences	43,000ML
TOTALS		5,757 High Security 156,617ML General Security (including ECA) 23,592 ML Supplementary

Year	Program	Volume of entitlement
		43,000ML Floodplain Harvesting

The Gwydir has met the legislative requirements of the Murray Darling Plan of 42,000ML of long-term diversion limit equivalence (LTDLE) entitlement for local instream environmental outcomes and a further 7,600ML for shared contribution to the northern basin. The NSW and Australian Government's hold 54,600ML LTDLE. This means the Gwydir Valley has 5,000ML of LTDLE entitlements in excess of that required by law.

The NSW and Commonwealth environmental water managers are now responsible for 28.5% of high security entitlement, 29% of general security entitlement and 13% of supplementary entitlement for environmental use. Environmental water is primarily used to contribute waterbird and fish breeding events and to maintain the condition and extent of the internationally recognised Gwydir Wetlands but as the portfolio has grown, so has the application and use of environmental water.

As a result of water reform, only approximately 19% of the total river flows are available for diversion for productive use³. This equates irrigators holding 575,000ML from regulated entitlement (high security, general security and supplementary water) and 28,000ML available from groundwater aquifers.

The main broad acre irrigated crop is cotton with irrigated wheat, barley and Lucerne also occurring depending on commodity prices. The total developed broad acre irrigated area is approximately 90,000ha however, following water reforms the maximum planted area is now 70,000ha, which is rarely cropped in one year. In 2010-11 census data indicated the total production value of irrigated cotton was \$623M and is estimated to be worth three times that to the local community using the Cotton Catchment Communities Research Corporation economic multiplier for cotton regions⁴. The Benchmarking water productivity of Australian cotton 2021 results⁵ confirm the water productivity of Australian cotton increased from 0.60 bales/ML in 1997 to 1.22 bales/ML in 2021. This demonstrates that producers are actively working to improve the water use efficiency of production.

Currently the region also home to the largest pecans plantation in Australia and the largest Valencia (juice) orange orchard in Australia covering approximately 1,500 hectares and generating an estimated \$31M with considerable benefits to the local community as a high intensity, permanent crop. Both these crops are actively pursuing improvements in water use efficiency. There is significant potential for expansion into horticulture and improvement in water utilisation but the area of expansion is limited by the availability of high security water.

Changes in water availability either through climate or government policy has a direct impact on the productivity of the region, the local economy and critically on the wellbeing of the local community. Analysis by the Murray Darling Basin Authority highlighted this relationship

³ Based on IQQM long-term modelling and the volume of water purchased for the environment

⁴ Social and Economic Analysis of the Moree Community, 2009. Cotton Catchment Communities CRC

⁵ https://www.dpi.nsw.gov.au/_data/assets/pdf_file/0017/1441142/Primefact-Revised-19-Dec-2022-T-and-D-PUB22-702.pdf

during the northern review and revealed that for both Moree and Collarenebri social and economic indicators declined through 2001 to 2011 including education, economic resources, and disadvantage, resulting in an estimated 200 jobs lost due to water recovery (mostly through buybacks) with the implementation of the Basin Plan in the region. Put plainly the Moree Plains Shire used to have a population of 13,159⁶, now there are 12,000⁷. There used to be more than 20 doctors now we have six, we used to have two high schools now we have one, and there used to be the four big banks, now we have one full time, and a second for half days. The community has clearly paid the price for water reform.

4.2 What we do

The GVIA's mission is to build a secure future for our members, the environment and the broader Gwydir Valley community through irrigated agriculture, we can do this together by making every drop count in the river or the aquifer, on-farm, for the environment, or for our community⁸.

The GVIA organisation is voluntary, funded by a nominal levy, cents/megalitre on regulated, unregulated and groundwater irrigation entitlement. The levy is consistently paid and supported by more than 85% of the eligible entitlement holders (excludes entitlement held by the NSW and Commonwealth governments).

Much of the activity of the association revolves around negotiating with government at a Federal, State and Local level to ensure the rights of irrigators are maintained and respected. While the core activities of the Association are funded entirely through the voluntary levy, the Association undertakes programs to maintain and improve the sustainability of members on-farm activities and from time to time, manages special projects, which can be funded by government or research corporations.

The Association is managed by a committee of a minimum 11 irrigators and employs a full-time executive officer and a part-time administrative assistant, as well as hosting a Project Officer funded through the Cotton Research and Development Corporation, the Gwydir Valley Cotton Growers Association and the GVIA.

The GVIA and its members, are members of both the National Irrigators Council and the NSW Irrigators Council.

4.3 Contacts

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⁶ <https://www.abs.gov.au/census/find-census-data/quickstats/2016/LGA15300>

⁷ <https://abs.gov.au/census/find-census-data/quickstats/2021/LGA15300>

⁸ For more information, see our corporate video on <https://vimeo.com/177148006>

Email: gvia@gvia.org.au

Chairman: Ian James Cush

Acting Executive Officer: Louise Gall

5 Responses to proposed Water Amendment (Restoring our River) Bill 2023

This GVIA submission will not address all elements of the Bill, and in particular will not provide specific commentary on the water market aspects of the Bill, except to say that our members support a mature, robust and transparent water market.

5.1 Regulation Impact Statement and Impact Assessment

The Water Amendment (Restoring our Rivers) Bill 2023 proposes significant changes to the original 2012 Murray Darling Basin Plan. The Amendment Bill is looking to increase the Basin Plan from 2,750 gigalitres (GL) effectively to a 3,130GL target as a result of the proposed inclusion of direct purchases for an additional 450GL. Critically it is also proposing to remove socio-economic assessments from the 450GL. The GVIA are not aware of the completion of any regulatory impact assessments for these significant changes. Of particular concern is what additional impact the removal of a further 450GL of water from irrigation production through direct purchases will have on the Australian agricultural sector, both regional and our national economy, and in particular on the balance of trade.

Ten years ago, when the original plan was prepared, the Murray Darling Basin Authority completed a Regulation Impact Statement and Impact Assessment which included the following summary:

“This decision means that each year some 2,750 gigalitres of surface water, which would otherwise be used for consumptive purposes (such as irrigation and industrial use), will be returned to the environment to help restore the health of the Basin. ...

The main benefits of the Basin Plan have been categorised into ‘use’ and ‘non-use’ benefits. Use benefits are estimated to approach \$100 million per annum...

The main economic costs of the Basin Plan are measured as foregone profits for agricultural industries, estimated at \$160 million each year. There will also be net additional administrative costs for Basin states and the Commonwealth estimated to be in the order of \$100 million each year. The Basin Plan will also have broader social and economic impacts on Basin communities; these impacts will be greater in some communities (or on families and individuals) than others.⁹ “

An additional concern is that these proposed changes are to be achieved with an undisclosed amount of funding, secured through the last budgetary process at the cost of other services.

⁹ <https://oia.pmc.gov.au/published-impact-analyses-and-reports/murray-darling-basin-plan-regulation-impact-statement-murray>

Given the complete lack of transparency around the impacts to the economy and total lack of clarity around the potential outcomes of the amendment, there is an obvious need to update the regulatory impact assessment so that the Federal Parliament can make an objective and informed decision about how to finalise the Murray Darling Basin Plan.

The GVIA recommends that before any changes to volumes or socio-economic assessments on water purchases are approved the Office of Impact Analysis is engaged to assess the cumulative regulatory impact of the Water Amendment (Restoring our Rivers) Bill 2023 and report to the Federal Parliament as part of this inquiry.

5.2 Delivering a plan on paper without consideration of outcomes

The title of the amendment Water Amendment (Restoring our River) Bill 2023 suggests that the proposals included in the bill are the solution to delivering the Basin Plan. Ironically the Bill proposes to devalue some of the key aspects of the original Basin Plan.

The GVIA support the delivery of the Basin Plan in a manner that delivers environmental outcomes, and critically minimises impacts on irrigation communities. The approach to achieving environmental outcomes must include a more holistic approach incorporating many of the complementary measures presented to the Minister and the department in the What we heard: Delivering the Murray-Darling Basin Plan¹⁰.

5.2.1 Over-recovered water resource units

Currently there is approximately 44.3GL of water held as Commonwealth Environmental Water but not attributed to the Murray Darling Basin Plan.

The Gwydir Valley has met the legislative requirements of the Murray Darling Plan of 42,000ML of LTDLE entitlement for local instream environmental outcomes and a further 7,600ML for shared contribution to the northern basin. The NSW and Australian Government's hold 54,600ML LTDLE. This means the Gwydir Valley has 5,000ML of LTDLE entitlements in excess of that required by law.

In 2018, the Productivity Commission made it clear that any over-recovered water should be addressed and "return any identified over-recovery to consumptive uses in accordance with Sustainable Diversion Limits." As part of Recommendation 3.1¹¹. There has been no recognition of the over-recovery and no engagement to progress a mechanism to return this water to the community.

The over-recovered water in the Gwydir will not contribute to any of the environmental outcomes specified in schedule 5 of the Basin Plan 2012. The natural constraints and the hydrological nature of the Gwydir Valley (an inland terminal delta) limit connectivity, thus minimising influence on environmental outcomes beyond the Gwydir wetlands.

The amendment bill proposes to allocate this over-recovered water to the 450GL target through the notification process with no regard to how it contributes to the environmental

¹⁰ <https://www.dcceew.gov.au/sites/default/files/documents/delivering-mdbp-consultation-report.pdf>

¹¹ Basin Officials Committee update to the Murray-Darling Basin Ministerial Council: Progress Update on implementation of Joint Basin government response to the Productivity Commission inquiry report: Murray-Darling Basin Plan: Five-year assessment

outcomes, its deliverability or utilisation (provided as the criteria for water purchases¹²) or to the impact that over-recovery had on the communities it was purchased from¹³. Whilst the Minister’s second reading speech indicated “no community will be left behind”**Error! Bookmark not defined.** there is no detail on how the communities who have over-recovered water are being consulted and compensated, nor is there any detail on the structural adjustment promised.

In July the GVIA wrote collectively with concerned local organisations raising our concerns with regard over-recovered water in the Gwydir Valley. As yet we have not received a response.

The GVIA recommend that over-recovered water be returned to the Valleys where it was acquired to enhance the sustainability of the environment and the communities within those valleys. We do not support the allocation of water that cannot contribute to environmental outcomes in the southern connected system being allocated to the 450GL water for the environment.

5.2.2 Inclusion of 450 gígalitres in the Water Act 2007

The Amendment Bill proposes to target the full recovery of 450GL up-water with no considerations to the initial intent of this target. The GVIA does not support the enshrining of the legal decoupling of the 450GL from the objectives it was designed to achieve; enhanced environmental outcomes as detailed in schedule 5.

Part 2—Adjustment of surface water SDLs for notified measures, Division 1—Objective, 7.09 Objective (e) states:

“the easing or removal of constraints and the addition of 450 GL per year of environmental water above the 2750 GL benchmark conditions of development, under the Commonwealth’s program, allow the enhanced environmental outcomes as set out in Schedule 5 to be pursued as compared to the benchmark environmental outcomes.

*Note 1: The Commonwealth program to ease or remove capacity constraints and deliver 450 GL of additional environmental water is to improve the environmental outcomes beyond those achievable under the 2750 GL benchmark by a further 450 GL and thus pursue the environmental outcomes set out in Schedule 5 that reflect the results of the 3200 GL per year modelling with relaxed constraints scenario reported in: MDBA (Murray-Darling Basin Authority) 2012, Hydrologic modelling of the relaxation of operational constraints in the southern connected system: Methods and results, MDBA publication no: 76/12, Murray-Darling Basin Authority, Canberra.
<http://download.mdba.gov.au/altered-PBP/Hydrologic-modelling-relaxed-constraints-October-2012.pdf>”*

Changes to Section 86AD Water Act 2007 decouples the requirement for the delivery of constraints and specific environmental outcomes and inserts a non-specific higher order environment outcome. This undermines the intent of the additional 450GL of water which

¹² <https://www.dcceew.gov.au/sites/default/files/documents/strategic-water-purchasing-framework-2023.pdf>

¹³ MDBA Catchment Profiles for the Socio-economic analysis to inform the Northern Review

was modelled to deliver specific environmental outcomes which are expected by stakeholders.

Further to this, additional changes enshrine the 450GL (Section 86AD(b)) which effectively changes the plan from an agreed 2,750GL plan to a 3,200GL plan but without specified environmental outcomes other than more water. Suggesting that the volume of water, overriding the environmental deliverability and benefits of the Basin Plan and fundamental altering its intent. This essentially will set the plan up to fail, by not meeting the expectations of the additional water recovery.

The GVIA suggest that the Inquiry investigate the status of the 450GL "Up-water". Our understanding is that under the current Act the full achievement of the 450GL was never mandated, it was "up to" 450GL. The only mandated provisions were associated with the five percent limit of change rules, which link back to the 605GL "Down-water". If the full 605GL is achieved, then a minimum of 62GL would need to be acquired against the 450GL provisions.

The GVIA recommends that Section 86AD remains unchanged.

5.2.3 *Complementary measures*

Complementary measures as explained above were an integral component of the Basin Plan 2012. It is therefore most disappointed that the Amendment Bill fails to include complementary measures that directly target environmental outcomes through specified investment to complement water recovered for the environment.

Complementary measures could include, but are not limited to:

- fish screens
- improvement of fish migration through fishways
- appropriate cost effective management of cold water pollution
- restoration of native fish habitat
- coordinated feral animal control in and around key environmental assets
- carp control through the release of the Carp Herpes virus
- riparian land management
- weed management.

Complementary Measures facilitate win-win opportunities to deliver equivalent and/or enhanced ecological outcomes required to meet Basin Plan objectives. They provide clear and local examples of environmental measurables for the community such as, fish screens and new fishways providing a means for the whole basin community to connect to outcomes of the Basin Plan.

Whilst many agree that "complementary measures like pest control and enhanced fish passage are essential tools¹⁴". Environment groups often caveat their support for complementary measures with "they are complementary to environmental flows¹⁴" which actively ignores the science that highlights the need for holistic management. Most recently

¹⁴ Delivery the Murray Darling Basin Plan – Consultation – What we heard – page 25 Direct Quote from Environment Victoria, Nature Conservation Council – NSW, Conservation Council SA, Queensland Conservation Council submission number 126.

this was raised in NSW by Chief Scientist during their inquiry into Menindee Fish Deaths whereby “an integrated suite of strategy should be designed and implemented to reduce the risk of further mass fish deaths” these including the implementation of fishways identified in the NSW Fish Passage Strategy, management of invasive fish amongst targeted temporary measures and a focus on water quality management.

The continual push against including complementary measures and preference to kick the concept down the road to the Basin Plan evaluation, ignores the fact that that in 2018, the Federal Parliament agreed to invest in complementary measures in the Northern Basin. The 2018 amendments to the Murray Darling Basin Plan adjusted recovery target by 70GL and enabled \$180M investment in complementary measures, because a “sustainable river system cannot be achieved by simply delivering water for the environment. To achieve a healthy working river system for the Northern Basin, further measures are required¹⁵”. Importantly, the Northern toolkit program was designed to reduce the social and economic impacts of water recovery in the northern basin.

These northern toolkit programs are well underway to improving fish passage and fish friendly farms, they were largely oversubscribed and well supported by industry and their communities. Such programs can directly contribute to recommendations outlined by the NSW Chief Scientist but most importantly, be designed to address local and Basin wide environmental issues. This enhances the potential outcomes that can be expected from the delivery of commonwealth environmental water.

For example; the fish screening program in the northern toolkit.

- The Gwydir project was over-subscribed. With the funding available, there will be 16 sites, 49 pumps, ~2,944 ML/d implemented, and given the scientific literature should protect ~925,000 native fish per year. These sites will compliment other activities to improve fish passage in the northern basin such as the Macquarie program.
- The Macquarie River Screening Program, funded by the NSW Government, is well underway and predicted to protect 885,000 native fish every year.

The GVIA supports complementary measures. We recommend that the Northern toolkit continues to be actively implemented and that a basin-wide toolkit be developed to allow the immediate investment in complementary measures, so that the water reserved for the river and the environment is able to produce the desired environmental outcomes and meet the expectations of communities.

The GVIA recommends that the basin-wide toolkit should be developed to offset the full volume of water required to be recovered towards the additional 450GL.

5.2.4 *Removal of socio and economic protections*

Additionally, under the 2012 Plan, any acquisition towards the 450GL had to pass a strict socio-economic test, to ensure there were no negative social or economic impacts on communities.

¹⁵ <https://www.mdba.gov.au/water-management/northern-basin>

“The Basin Plan includes 450 GL per year additional water recovery above the gap bridging target. This is for enhanced environmental outcomes on the condition that there are neutral or positive socio-economic impacts from this water recovery.

Water recovery towards this target is being done through efficiency measures. This creates water savings that are shared between environmental and productive water users.¹⁶”

The Ministers second reading speech highlighted that the bill aimed to remove impediments to progress¹⁷ on the Basin Plan, particularly around achieving the additional 450 gigalitres. In doing so, the Minister has effectively removed almost entirely the socio-economic protections for regional communities that were essential to delivering a balanced 3,200 gigalitre plan.

In 2012, the then Minister Tony Burke stated that the Water for the Environment Special Account was not to involve projects that had a socio and economic impact as it was known that direct purchases could hurt communities. This is explained in the explanatory memorandum as:

“It is envisaged that criteria to be specified in the Basin Plan will include that the mechanism must operate on a no-detriment basis. The adjustments would then not be able to weaken the social, economic and environmental outcomes inherent in the Basin Plan. Projects that enable environmental water to be used more efficiently, thereby reducing the need to remove additional water from productive use, must achieve equivalent environmental outcomes to those in the Basin Plan. Projects to enable improved environmental outcomes, must maintain or improve the socio-economic circumstances of basin communities compared with the Basin Plan. These projects could include for example, improved irrigation efficiency, enabling more water to be made available for the environment. The changes proposed by this bill ignore this commitment to regional communities in 2012.”

The GVIA does not support the removal of socio-economic protections, we have seen firsthand the devastating impacts that can result¹⁸. The removal of socio-economic protections is seen as a broken promise by this Federal Government and demonstrates that they have learnt nothing from the devastation caused by past water reform.

It is essential that more work be undertaken to assess instances where direct purchases may not have socio-economic impacts and explore all other options as recommended above and in What we heard: Delivering the Murray-Darling Basin Plan¹⁹. There are alternatives to direct purchases, but these are not being prioritised by Government.

¹⁶ <https://www.dcceew.gov.au/water/policy/mdb/water-recovery/how>

¹⁷ Recommendation 4

https://www.chiefscientist.nsw.gov.au/__data/assets/pdf_file/0005/580658/Menindee-Fish-Deaths-Report_Findings-and-Recommendations.pdf

¹⁸ MDBA Catchment Profiles for the Socio-economic analysis to inform the Northern Review.

¹⁹ <https://www.dcceew.gov.au/sites/default/files/documents/delivering-mdbp-consultation-report.pdf>

The GVIA recommends that socio-economic criteria for all programs under the 450 GL target remain.

5.2.5 *Maintaining the 1,500 GL limit on water purchases*

The GVIA does not agree that the current 1,500 gigalitre limit on water purchases in Division 5 Water Act (2007) must be removed to achieve the Basin Plan.

With 270GL remaining, communities accept there may be up to this limit directly purchased but no more. If the Minister is genuine about “voluntary water purchases not being the first choice²⁰” then keeping the current limit, enshrines this commitment to look at other options. Keeping the limit on purchases also provides certainty to industry and basin communities about their long-term share of water.

The GVIA recommends the reinstatement of the 1,500GL limit on water purchases.

5.2.6 *Dynamic Sustainable Diversion Limits*

Throughout the Amendment Bill the GVIA notes that specific timeframes for existing sustainable diversion limit reductions are replaced with “reduction resulting from changes to the SDL from time to time” in both the Water act (2007) Section 1AA S 6.13 (2A) and in the Murray Darling basin Plan (2012). We are concerned that the inclusion of “time to time” as opposed to references to fixed time periods undermines the certainty of the Basin Plan by allowing dynamic SDL, at the notification of the Minister, this is circumventing the existing processes.

Without the 1,500GL limit on water purchases, the ability to continue to drive down SDL across the Basin is only limited by the availability of willing sellers over an undisclosed time period up to the 5% limit on change in S61.01 of the Murray Darling Basin Plan (2012).

This approach of adjustments to SDL from ‘time to time’ may also create reporting issues for States and the Inspector General of Water Compliance. For example, if water was used from an account that is later notified as additional environmental water during a water year, there could be reporting errors if this isn’t properly accounted.

The GVIA recommends the removal of “from time to time” to be replaced with a fixed time period, aligning with the completion all other measures within the Murray Darling Basin Plan (2012).

5.2.7 *Commonwealth Environmental Water*

The bill proposes the additional step throughout Chapter 7 – Adjustment of SDLs in the Murray Darling Basin Plan (2012) to include an additional step allowable to enable and notify “additional Held Environmental Water Entitlements (HEW)”.

It is not clear as to why the amendments are required to enable the creation of a new category of water, when the Water Act 2007 in section 108²¹, already recognises water

²⁰ Delivery the Murray Darling Basin Plan – Consultation – What we heard – page 25 Direct Quote from Environment Victoria, Nature Conservation Council – NSW, Conservation Council SA, Queensland Conservation Council submission number 126.

²¹ http://classic.austlii.edu.au/au/legis/cth/consol_act/wa200783/s108.html

purchased under the programs to be defined as Commonwealth Environmental Water Holding. In addition, there are variations of dates when additional HEW could be notified and reconciled which creates confusion, this should be aligned to the key notification and reconciliation dates.

The GVIA recommends that no further language changes are adopted, and that the existing definition of Commonwealth Environmental Water are maintained consistently in any subsequent legislation.

5.2.8 *Extension of the timeframe*

The GVIA welcome the inclusion of new timeframes providing flexibility to Basin State jurisdictions to allow completion of supply measures, and new projects and ideas to be included in programs such as the Sustainable Diversion Limit Adjustment Mechanism. The ability to notify new projects up to June 2025 is supported. However, the need to have these measures in operation by December 2026 will limit the scope of new projects to those that are either underway already or near shovel ready.

The timeframe extension should also enable much greater progress in the implementation of complementary measures such as those detailed in the Northern Basin Toolkit. It is appropriate to provide a clear framework for constraints in the new section 7.08A Constraints relaxation implementation roadmap in the Murray Darling Basin Plan (2012), this however is likely to need longer than the 2026 timeframe allowed by this Bill to fully implement.

The GVIA support the extension of time frames but feel that further extensions may be beneficial to enable many aspects of the plan to be completed.

6 *Appendix I*

20_07_10 Plibersek over-recovery letter

