

WENTWORTH GROUP

OF CONCERNED SCIENTISTS

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Wentworth Group Submission to the Productivity Commission's Draft Report Murray-Darling Basin Plan: Five-Year Assessment

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The Wentworth Group welcomes the opportunity to respond to the Productivity Commission's draft report on the implementation of the Murray-Darling Basin Plan released on 30th August 2018. This is the first inquiry from the Commission into the effectiveness of the implementation of the Murray-Darling Basin Plan. It follows major public inquiries that have investigated serious management failures including the South Australian Royal Commission into the Murray-Darling Basin Plan, the Independent investigation into NSW water management and compliance (the Matthews Review), and the ongoing New South Wales investigation into water mismanagement by the Independent Commission Against Corruption.

As such, the Productivity Commission has a vital role to play in rebuilding the credibility of water management institutions and getting the national water reform agenda back on track. The Productivity Commission's five-year assessment is an opportunity for a critical evaluation of the progress of water reform in the Murray-Darling Basin. This review should ultimately ensure that public trust is rebuilt in the water reform process, and that mechanisms are in place so that Basin governments are held accountable for the timely implementation of Basin Plan and achievement of Basin Plan outcomes. We outline below the specific ways in which we believe the Productivity Commission's draft report can be enhanced to achieve this outcome.

Some of the 35 draft recommendations made by the Commission are also recommended by the Wentworth Group in our 2018 submission to the Productivity Commission issues paper, particularly those dealing with improving transparency (e.g. draft recommendations 3.2, 4.5, 5.1), measures to enforce action against illegal water take (draft recommendation 12.3), and improving poor community consultation (draft recommendation 11.6). It is imperative that statutory processes are in place to ensure these recommendations are adopted by Basin governments given the serious governance failures that have undermined the Basin Plan to date (Wentworth Group 2017).

However, in our opinion, the draft report does not adequately address a number of other key issues affecting the implementation of the Basin Plan:

1. **Supply measures:** The Productivity Commission's recommendation that Basin States are given additional time to implement supply measure projects (draft recommendation 4.2) will not guarantee that supply measure projects will be implemented to a standard suitable for delivering the expected outcomes under the Basin Plan (Wentworth Group 2018a). There are currently no clear standards upon which these projects are to be held accountable at the reconciliation date in 2024. This leaves businesses and communities that rely on a healthy Murray-Darling Basin with considerable uncertainty about the potential for future water

recovery if projects fail to deliver the agreed outcomes. It is therefore critical that the Commission recommends urgent legislative amendments to ensure there are clear standards for assessing projects at the reconciliation date of 2024. We recommend amendments to the Basin Plan and Water Act as described in Appendices B and C of our report (*Murray-Darling Basin Plan: Requirements for SDL adjustment projects*, available at <http://wentworthgroup.org/2018/05/requirements-for-sdl-adjustment-projects/2018/>). These proposed legislative amendments were based on the standards described in Table 1 of our 19 April 2018 submission to the Productivity Commission issues paper. Additionally, funding for supply measure projects should be linked to the achievement of these standards.

2. **Constraints measures:** The Commission should strengthen recommendations in Section 5 to ensure that Basin states will address constraints to the required levels (Wentworth Group 2018a, Table 2), to allow for the reconnection of rivers to their floodplains and achievement of the outcomes in Part 2AA of the *Water Act 2007*. In recognition of the failure of states to achieve the required constraints targets as part of the SDL adjustment mechanism, the Agriculture and Water Resources Minister David Littleproud and Shadow Environment and Water Minister Mr Tony Burke agreed in May 2018 that “full implementation of constraints relaxation in the Southern System by 2024” was necessary to “ensure the capacity of river managers to achieve flows of 80,000 ML/d at the South Australian border” (Littleproud 2018; Wentworth Group 2018a, Table 2). The Commission should reiterate the need for statutory measures linked to financial penalties to ensure that states are held accountable for this important commitment.
3. **Toolkit measures:** There is currently no statutory requirement that Basin governments will implement these policy measures in a way that is enduring and will result in the expected hydrological and environmental outcomes given the demonstrable failures of some basin states to date. Without these measures in place, more environmental water would be required to deliver the expected environmental outcomes, leaving less water for extraction. The Commission should recommend that toolkit measures are mandated in legislation, with contingencies if they fail to be adequately implemented.
4. **Water Resource Plans:** The Productivity Commission has recognised that some water resource plans are not likely to be sufficient for accreditation by June 2019. In these cases, we recommend that the Commonwealth and states agree to a staged approach for implementation beyond June 2019 with specific milestones set and reviewed by MDBA. This will help to ensure Basin states are on track to deliver plans to a standard suitable for accreditation. We recommend that milestones should be based on the criteria in the Basin Plan suggested by the Wentworth Group (Wentworth Group 2018b, attached).
5. **Management of the Coorong, Lower Lakes and Murray Mouth:** The *Water Act 2007* and Basin Plan objective (s8.06) to ensure the mouth of the Murray is open 95% of years without dredging is impossible to achieve under the current Basin Plan settings. Given measures of historical barrage flow, sand volumes in the Murray Mouth and dredging durations, our research suggests that the Murray Mouth will be closed at least 90% of the time unless dredging occurs. The failure to meet this Basin Plan objective will result in increased salinity in the Lower Lakes, worsening water quality for residents and lake users. The Productivity Commission should recommend that this clause in the *Water Act 2007* be reviewed (s86AA(2)(c)).

6. **Climate change:** Despite its objectives, the Basin Plan does not directly address the risks of climate change on water availability and river health. This leaves business and communities with no clear policy setting or process to manage the anticipated changes in water availability into the future. It also places ecosystems of high conservation value across the Basin at risk during droughts, because the environment bears a greater burden of the reduced flows compared to irrigators. As water becomes scarcer in the Basin, planned environmental water remaining in rivers for the environment in some valleys is reduced by about four times as much compared to water used by irrigators. The Productivity Commission should recommend full implementation of the National Water Initiative risk assignment provisions which assert that “water access entitlement holders are to bear the risks of any reduction or less reliable water allocation, under their water access entitlements, arising from reductions to the consumptive pool as a result of: (i) seasonal or long-term changes in climate; and (ii) periodic natural events such as bushfires and drought” (clause #48). The Commission could play a stronger role in encouraging leadership by Basin governments to address climate change, for example, by recommending that a work plan is developed as a matter of urgency so that climate change will be properly addressed in future reviews of the Basin Plan, as required by Section 8.07 of the *Basin Plan* 2012.

References

- Littleproud, 2018. *Statement on the Murray-Darling Basin Plan*, Media release 7th May 2018, available at <http://minister.agriculture.gov.au/littleproud/Pages/Media-Releases/Statement-on-the-Murray-Darling-Basin-Plan.aspx>.
- Wentworth Group, 2017. *Review of Water Reform in the Murray-Darling Basin*. Wentworth Group of Concerned Scientists, Sydney, <http://wentworthgroup.org/2017/11/review-of-water-reform-in-the-murray-darling-basin/2017/>.
- Wentworth Group, 2018a. *Murray-Darling Basin Plan: Five-year assessment*. Submission to the Productivity Commission Issues Paper. 19 April 2018, <http://wentworthgroup.org/2018/04/submission-to-national-water-reform-issues-paper-2/2018/>.
- Wentworth Group, 2018b. *Proposed criteria for accrediting Water Resource Plans under the Murray-Darling Basin Plan*. Attached to submission.