



Australian Government



RRAT Legislation Committee

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## Opening statement to Rural and Regional Affairs and Transport Legislation Committee on 25 October 2019

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Thank you for the opportunity to brief the committee. I'd like to make a statement and provide an overview of the current situation in the Murray-Darling Basin and progress in implementing the Basin Plan.

I would like to acknowledge the difficult ongoing drought conditions communities across the Basin are experiencing. Since I last appeared before a Senate Committee, conditions have worsened. There are some communities that have run out of water, while others are already on high-level water restrictions, and it's not even summer.

Temperatures across most of the Basin were above average during September, while as of 22 October, water in storage for the whole Basin was at 39.7% — some storages in the northern Basin are as low as 1 or 2%. Conditions are dire in the north and as of last week the total active storage in the southern Basin was 44%. While not as dire, if there is no significant rainfall in winter and spring next year, the southern Basin's water resources will be severely limited.

The long-term forecast suggests there is little relief in sight. The Bureau of Meteorology has found that the [33 months from January 2017 to September 2019](#) has been the driest averaged on record across the Murray-Darling Basin. The Bureau has also forecast low flows for the rest of spring and summer, with a warm and dry pattern highly likely to continue through to January.

These conditions continue to place immense pressure on communities, industries and the environment. Sadly, the Basin cannot be drought-proofed. Drought is a natural part of Australia's climate.

The Basin Plan ensures that in times of drought, water is prioritised for critical human needs—water is now provided to communities for drinking and household water before being allocated for any other use. In severe drought when rivers cease to fully function, it's not always physically possible for governments to supply water—even for critical human needs.

Water allocations and entitlements vary from state to state, and these differences mean that some entitlement holders have an allocation this season, while others have little to none. In the southern Basin, while more water is available, allocations will still be limited. In the current environment, its expected water will be allocated to those with high security water entitlements, but those with lesser entitlements are likely to remain without an allocation unless it rains.

We know low rainfall across the Basin can have a severe impact on water quality, and can have a tragic impact on our native flora and fauna. We are expecting more fish deaths, and water quality issues like blue-green algae this summer. The MDBA and Basin state governments are working hard to carefully monitor water quality, and adjust operations where possible.

This is why water for the environment is so important—when it's dry, the whole river system suffers—including the plants, animals, fish and birds that rely on the Basin for survival. The Basin Plan provides for this water specifically for times like these. The health and sustainability of the rivers, wetlands and floodplains is important to the sustainability of the whole Basin. Water for the



environment creates refuges during times of drought, so that these habitats can grow in better times. At the moment, where there is water for the environment available, the environmental water holders are working together to strategically use their water for critical habitats and for species survival. Spring is the time to deliver water for the environment because we can piggyback on natural flows and are more likely to achieve the environmental outcomes we need. As we get to summer more of the water in the river will be for consumption.

It is important to note that all water entitlement holders are treated the same, regardless of whether the water is for farming or the environment. That means that in times of drought, reductions in allocations are the same for all water users. We know this makes it hard for entitlement holders with no allocations—it is hard to see water in the river, when their crops are suffering. The water is there because entitlement holders have carried their allocation over or stored water from previous years and have made a business decision not to access it. This is the water market in operation—it operates like any other free market.

In these times, commitment to the Basin Plan is more important than ever. When things are tough, available water is shared fairly between communities, irrigators and the river environment.

### ***Basin Plan Commitments***

Implementation must continue for the simple reason that partial implementation of the Basin Plan will not be enough to ensure a healthy working Basin. Both the Productivity Commission and the MDBA have found that challenges remain in implementing the Basin Plan.

The [MDBA's second report card](#) released in June confirmed delays across two key areas of Basin Plan implementation: Water resource plans and the projects under the SDL Adjustment Mechanism, while noting that progress was being made in other areas.

Seven years in, we are generally on track, but there remains hard work ahead for all governments involved.

Water reform in the current climate is challenging. The MDBA works in partnership with state and Commonwealth governments, and the Basin Plan remains a shared commitment for all governments.