NSWIC
NEW SOUTH WALES IRRIGATORS' COUNCIL

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SUBMISSION

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON THE ENVIRONMENT AND ENERGY

INQUIRY INTO THE MANAGEMENT AND USE OF COMMONWEALTH ENVIRONMENTAL WATER

April 2018

NSW IRRIGATORS COUNCIL

The NSW Irrigators Council (NSWIC) is the peak organisation representing irrigators and the irrigation sector in NSW. The Council's 26 Members include commodity groups in the cotton, rice, horticulture and dairy sectors, NSW Farmers' Association, regional food & fibre bodies, valley irrigator and water user associations, and irrigation corporations. NSWIC represents the interests of over 12,000 water access licence holders in NSW who draw water from regulated, unregulated and groundwater systems.

NSWIC engages in advocacy and policy development on behalf of the irrigation sector. As an apolitical entity the Council provides advice to all stakeholders and decision makers.

This submission represents the views of the Members of NSWIC regarding the management and use of Commonwealth environmental water. However, each Member organisation reserves the right to independent policy on issues that directly relate to their areas of operation, expertise or any other issues they may deem relevant.

NSWIC & the Basin Plan

NSWIC accepts that, although not perfect, the Murray Darling Basin Plan is the best way forward to achieve improvements to the ecology of the Basin – but only on the proviso that the Plan is driven by the triple bottom line approach of achieving balanced social, economic and environmental outcomes. The Council remains vitally interested in ensuring environmental water is managed effectively to meet the environmental objectives of the Plan, but without unmitigated 3rd party impacts on water access licence holders, landholders and communities.

GENERAL COMMENTS

Commonwealth Environmental Water Holder (CEWH)

The CEWH is now the largest holder of Water Access Licences in Australia.

The previous CEWH, David Papps, is to be applauded for several initiatives:

- The 'good neighbour' policy designed to avoid conflicts in the deployment of flows between water users, and 3rd party impacts such as flooding and limitations on access to properties by landholders; and preventing access to water for other licence holders by excessive use of channel capacity in rivers.
- The temporary trade of water back into productive use in the Gwydir and Goulburn River systems.
- A collaborative approach to irrigation sector involvement in advising and participating in environmental watering events – putting 'localism' into effect.
- The establishment of the LEOs – Local Engagement Officers – to enhance local community engagement.
- The provision of regular updates relating to Commonwealth environmental water holdings; including environmental water carried over in storages, environmental watering priorities, and water deployments.

NSWIC looks forward to a continuation of the constructive relationship with CEWO under the direction of the recently appointed CEWH, Jodie Swirepik.

Effectiveness of Environmental Watering to date

NSWIC has noted the recent criticism of progress in meeting the environmental objectives of the Basin Plan from the Wentworth Group of Concerned Scientists, other academics, The Greens, and from some in the environmental lobby. Their assertions of no progress in returning the ecology of the Basin to better health

from the recent deployment of environmental water is demonstrably at odds with the regular progress reports from both the CEWH, Murray Darling Basin Authority and State Environmental Water Holders, which show steady progress. Progress to date has been particularly evident against the watering objectives for wetlands and in promoting positive native fish breeding and dispersion outcomes.

The previous CEWH, David Papps, responded to this criticism by highlighting that we are only at the very early stages of environmental watering under the Basin Plan, and five years is too short a timeframe to expect step change in the ecological health of the Basin environmental assets. Mr Papps' expressed the view that the full extent of improvement may take decades to reasonably assess on a Basin wide scale – particularly given the large natural variations in climatic conditions that impact stream flows and storages.

NSWIC does not agree with many in the environmental lobby –including the Wentworth Group – who have stated views that:

- water saving and enhancing water management through infrastructure is a waste of money.
- the Commonwealth should instead simply purchase the required water from productive use (from irrigators).
- the water volumes targeted for recovery for the environment in the Plan are too low, and
- the Plan should be reworked to claw back a greater volume for the environment – in the order of the 4000 gigalitres of water recovery originally nominated as the minimum target by some environmental activists.

The underlying view of the environmental lobby that the answer to improving the environmental health of the Basin is to simply "just add more water" is not cognisant of the significant complexities of environmental water management in achieving positive results for native fish, invertebrates and other organisms, birds, riparian vegetation, and the improved health of rivers and wetlands. NSWIC also rejects this approach on the basis that it ignores the already significant damage to the social and economic fabric of Basin communities from the current level of water recovery.

NSWIC GUIDING PRINCIPLES & RELATED POLICIES

1: The Characteristics of Commonwealth Environmental Water Holdings

a) The water licences recovered by the Commonwealth for the environment – now vested with the CEWH – must retain their licence characteristics.

2: Effective and Efficient Deployment of Environmental Water

a) Environmental water should always be deployed as efficiently and effectively as possible.

3: Community Engagement

a) Environmental Water Holders (State and Commonwealth) should employ an active policy of localism in engaging with Basin communities in the design and implementation of environmental watering programs.
b) The 'good neighbour' policy adopted by the previous CEWH should be formally enshrined in the environmental water management framework employed by the CEWO.
c) The matter of liability as to responsibility for unmitigated 3rd party impacts from the deployment of environmental water holdings should be settled by Government before the CEWH and other environmental water holders engage in coordinated large scale environmental water releases.

4: Use of Private Infrastructure

a) The CEWH should actively seek to partner with private infrastructure owners where this infrastructure can be used to best deploy environmental water into public and privately owned environmental assets or to convey environmental water downstream to allow environmental target sites there to be watered.

5: Sale of Water by the CEWH

a) The CEWH should make water available on the temporary market whenever the Commonwealth water holdings in a valley exceed what is reasonably required to meet immediate and mid- term environmental watering needs.
b) The *Water Act 2007 (Cth) s106* should be amended to allow the greatest flexibility for the CEWH to invest the proceeds of the sale or lease of Commonwealth environmental water into activities that meet or enhance the environmental objectives of the Basin Plan, including investment in local water management infrastructure where this can significantly increase environmental watering efficiencies.

6: Investing in Complementary Environmental Measures

a) That the Federal and State Governments invest in Complementary Environmental Measures (Non-flow Related Measures) such as improvements to fish passage, prevention of cold water pollution, enhancements in fish breeding habitats, the suppression of Europe Carp with the Carp Herpes Virus, and revegetation and elimination of pest plants and feral animals in riparian zones.

7: Monitoring & Evaluation of Environmental Watering

a) That Federal and State Governments significantly enhance the monitoring and evaluation of environmental sites across the Basin, to improve the assessment of environmental impacts.

SPECIFIC RESPONSES TO THE INQUIRY TERMS OF REFERENCE

TOR 1: Maximising the Use of Environmental Water for the Protection and Restoration of Environmental Assets

NSWIC believes as a guiding principle that the deployment of environmental water in the Murray Darling Basin must be as effective and efficient as possible.

This cannot be achieved by a simple flow related – “just add more water” - approach to improving the ecological health of the Basin, as advocated by many in the environmental lobby. As much as possible targeted watering through the use of built infrastructure and private assets should be utilised to maximise the efficiency and effectiveness of environmental watering.

NSWIC believes that every litre of deployed environmental water should be used to best effect in reaching the Basin Plan’s environmental objectives. In short, the public expectation that water for productive use in growing food and fibre will be utilised as efficiently as possible should also apply to the deployment of environmental water to achieve the Basin Plan’s environmental objectives.

The effectiveness of environmental watering would be significantly enhanced if Federal and State Governments invested in Complementary Environmental Measures such as release of the Carp Herpes Virus to diminish the impact of this destructive and invasive pest – in allowing native fish species to recover and by improving water quality; employing engineering options to eliminate cold water pollution which heavily impacts on native fish breeding for hundreds of kilometres below reservoirs; installation of fishways to aid the dispersion of native fish; improvements to the condition of riparian zones through elimination of feral species and plant pests, and by revegetation; and the re-snagging of some sections of waterways to improve fish habitat.

TOR 2: Considering Innovative Approaches for the Use of Environmental Water.

NSWIC believes that better understanding and further fine tuning of the management of environmental water will be achieved over time. In the context of decade-interval change to targeted environmental sites in the Basin, the management of the largest volume of water ever available for release from storages for environmental watering events is still in its relative infancy. The on-the-ground knowledge of how best to deploy the water to meet the specified environmental objectives in each valley, including the coordination of flows with State based environmental water managers, will take time to perfect. In reality, the CEWH has only had less than five years of experience in larger scale environmental water deployment, and it is premature to judge performance to date too critically. The previous CEWH, David Papps, admitted that he only achieved success in Goulburn River watering events in Northern Victoria on his third attempt, after two less successful water releases. Therefore, it is reasonable to expect the deployment of environmental water to evolve and become more sophisticated over time.

Nevertheless, there are two innovative and more immediate approaches favoured by NSWIC:

- The use of private infrastructure to deliver water for the environment, and the extension of this concept through co-investment with private partners to build environmental watering infrastructure at a local scale.
- The freeing up of the legislative constraints on the CEWH to allow the CEWO to use the proceeds of the sale of environmental water to invest in infrastructure and projects that can help meet the objectives of the Basin Plan.

TOR 3: Monitoring and Evaluating Outcomes of the Use of Environmental Water.

To date there has been a primary focus on recovery of water for the environment in the Basin, and on the development of both Basin-wide Environmental Watering Plans and the associated Annual Watering Plans impacting on individual valleys and river reaches, with targeted outcomes aligned with the key environmental objectives of the Plan.

While the CEWH is implementing, monitoring and evaluating environmental watering events on a larger event scale, the level of more localised monitoring and evaluation of watering programs, and as an indicator of broader ecological health of the Basin environment, is sorely lacking. NSWIC is concerned that the focus has been too much on deploying environmental water but too little on assessing its impact.

If we are to have a comprehensive picture and hard data on the effectiveness of the Plan in returning environmental assets to better health, we need to invest in a monitoring and evaluation network in greater depth. If we cannot measure progress against the Plan objectives it is too easy for critics to claim no progress has been made, but an even greater imperative should be in instilling public confidence (including in irrigator and Basin communities) that the significant investment by Government in water recovery is paying environmental dividends.

TOR 4: Options for Improving Community Engagement and Awareness of the Way in Which Environmental Water is Managed.

In general, NSWIC would rate the CEWO community engagement and communications as the best of the Government agencies involved in the implementation of the Basin Plan. The appointment of the Local Engagement Officers has further aided the links between the CEWH and local communities.

The CEWH's adoption of a 'good neighbour' policy on environmental water deployment has been a widely welcomed and encouraged approach and has underpinned a constructive relationship between irrigators, Basin communities and the CEWO. NSWIC sees the future formal adoption of this approach in the management of environmental water as fundamental to a constructive and co-operative relationship between irrigators and the CEWO.

NSWIC has been proactive in raising the prospects of the CEWH using private irrigation infrastructure in environmental watering programs – particularly as this can lead to significantly enhanced outcomes in meeting targets with lower losses and less water needing to be deployed. It is a little-known fact that the major irrigation corporations and a number of private individuals and wetlands trusts have assisted with the deployment of environmental water to target sites over many years. NSWIC is keen to extend this collaborative approach and has jointly initiated a project with the University of NSW to research collaborative environmental watering between environmental water managers, irrigators and irrigation companies, and to identify both the pitfalls and successful examples of public / private "e-watering" activities as a potential template for future partnerships.

Regarding further enhancements in community engagement on environmental watering, many river systems in NSW already have Environmental Watering Advisory Groups (EWAGs) established to assist in the management of environmental water at a regional level. The use of the EWAGs or the establishment of similar groups to specifically advise the CEWO should be considered.

TOR 5: Other Matters of Relevance

Constraints Management

The Basin Plan includes the easing of flow constraints – either by physical chokes in river systems or by existing river operations rules that constrain the volume of water able to be released through the system without causing inundation and damage to public and private assets or prevention of access to property. Under the Basin Plan settings there is an assumption in MDBA modelling that the major constraints to high environmental flow volumes will be significantly eased to allow water to be delivered to environmental sites through the Basin and the end of the Murray system.

NSWIC holds a firm policy position that constraints management must not result in any unmitigated 3rd party impacts such as flooding of landholders' properties or damage to private assets. The CEWH has to date adopted a conservative view on deployment of large volumes of environmental water that may cause damage to property and other assets, and this forms part of the previous CEWH's 'good neighbour policy'. As detailed earlier in this submission, the ultimate liability for deploying large volumes of water that may inadvertently become flood level flows (through the addition of natural flows to the system after unforeseen rainfall events) has not yet been determined by Government.

Despite MDBA modelling that indicates that sub-flood level flows can be manipulated to meet Basin Plan end-of-system flow rates sufficient to keep the Murray Mouth open 90% of the time, NSWIC holds very serious doubts that the CEWH will be able to physically deliver the flow rates modelled by the MDBA to the end of the Murray system without causing very significant flooding of private property.

Shepherding of Water

There are some tensions between irrigators and the MDBA and CEWO desire to shepherd environmental water releases downstream in a number of river systems, without these flows being pumped by irrigators under the provisions of existing Water Sharing Plans. This situation is most pointed in the unregulated Barwon Darling system. In recognition of the difficulties in achieving this shepherding of water through the Barwon Darling, the previous CEWH entered into discussions with large regional irrigators to find a method of contracting them to allow planned environmental releases and low flows through the system. Subsequently this push to protect environmental flows from being pumped (albeit legally extracted under Water Sharing Plan provisions) has formed part of the NSW Government's Water Reform Action Plan. However, NSWIC remains deeply concerned about shepherding on a number of levels:

a) The Rudd – Gillard Governments purchased large volumes of water – particularly in the Northern Basin - under its so-called "no regrets" policy, without sufficient thought to how this water would be deployed. The idea of shepherding environmental flows through a river system relies on the suspension of central water-take provisions of Water Sharing Plans that underpin irrigators' property rights in water and represent a significant financial asset to those water access licence holders. In the highly variable river systems of the Northern Basin irrigators may forgo the pumping of one flow on assurances of being able to access the next, but that next flow may be a long time coming. Therefore, northern irrigators are being asked to allow Government to retro-fit water take provisions on which irrigated agricultural enterprises have been built.

b) Despite repeated assurances by the Federal Government (through both the Howard, Rudd-Gillard, and Abbott-Turnbull administrations) that the characteristics of the licences bought by the Commonwealth for the environment would not alter under the Basin Plan, the protection of environmental flows through water shepherding arrangements at the expense of other water access licence holders with the same class of licence – in effect alters the nature of the held environmental water by ceding primacy to it over water rights held by irrigators. There is very real danger that the volumes and value of water entitlements held by irrigators in some systems will be reduced by such water shepherding provisions.

Channel Capacity

The issue of limitations in channel capacity to allow the deployment of both productive and environmental water at the same time is a very real prospect – particularly in the Murray and Murrumbidgee systems. In the Murray system new nut plantations requiring over 450 gigalitres of annual water entitlements are either planted or are planned for planting in the immediate future in the Lower Murray reaches of Victoria and NSW. These permanent tree plantings are not sustainable without regular irrigation through Spring, Summer and early Autumn, however the demand for water in Spring and Summer from other irrigators will see an increase in the need for downstream supply of water during these times – potentially exacerbating channel constraints in the Murray.

NSWIC is concerned that should the CEWH initiate large environmental flows in the event of early warm and dry Spring seasonal conditions there will be conflicting demands for channel capacity between productive water for irrigation and flows for the environment – potentially leading to limitations on irrigation water supply. If these environmental flows were shepherded using significant channel capacity it would be delivering licence primacy to environmental water at the expense of other water access licence holders and would put the CEWH in direct conflict with irrigators.

As a consequence, NSWIC believes the 'good neighbour' policy previously employed by the CEWH should be formalised in CEWH water deployment planning to avoid such conflicts.

We thank the Standing Committee for this opportunity to provide a submission on this important subject.

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