

Senate Select Committee on the
Murray-Darling Basin Plan
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A Submission by Peter Millington - Who am I

- Previously **Director General, NSW Department of Water Resources** (1987 to 1995), and **Commissioner on the Murray Darling Basin Commission** (1987 to 1996); involved in water resources/river basin management at the highest level for the last 25 years,
- Since 1996, **river basin/water resources/natural resources management consultant** to the World Bank, Asian Development bank and many international aid agencies working on major water resources/river basin planning and management projects in twelve countries.

I have previously made two submissions to other inquiries/consultation processes on the Murray Darling Plan and both are relevant to this present Senate inquiry;

*** House Standing Committee on Regional Australia - Inquiry into the Impact of the Murray Darling Basin Plan in Regional Australia** (Submission made in November 2010),

*** Murray Darling Basin Authority** - A Submission made in January 2012 as part of the Plan consultation process.

A summary of the main points made in each submission is presented below – the full submissions have not been attached simply due to size. They can be accessed from the records of both above processes, or by further request to me, if the Senate Inquiry wishes for more detail. At the end of this submission I have drawn on these summary points and conclusions to relate more specifically to the TOR of this inquiry.

1. Summary of the Submission to the House Standing Committee on Regional Australia.

Background Issues relating to Socio-Economic Impacts.

The TOR for the House Standing Committee enquiry specifically relate to the socio-economic impacts of the MDBA's 'Guide to the Proposed Basin Plan'. They do not appear to allow the Enquiry to search down and into the planning activities to gauge whether the resulting, severe levels of socio-economic impacts are based on reasonable hydrologic or scientific assumptions.

That is, the Committee cannot scrutinise how the Authority has used the hydrology and the related simulation models, and the available science, to make assumptions and reach conclusions, yet the regional communities argue that the Authority's process is deeply flawed and without scrutiny,

The Commonwealth Water Act is framed in such a way that it prevents 'integrated river basin management' in a way that is consistent with international 'best practice'. The Act requires the MDBA to first determine the volume of water required to maintain and restore environmental assets, using best available science and the principles of ecologically sustainable development, and then subsequently (*that is, with whatever water is left*) the Authority should address the optimisation of other environmental issues and social and economic outcomes.

This approach doesn't address the varying long term national and state objectives and goals across all disciplines and sector areas, and does not allow the seeking of some agreed 'balancing point' between environmental, social and economic outcomes for the basin, as exists in internationally recognised 'best practice' approaches to integrated river basin planning,

Virtually all countries now follow approaches that seek to determine an 'agreed balance' between environmental, social and economic outcomes – not give a 'first up' priority to any one of these - and to do this through open and transparent participation and consultation with all basin stakeholders, and to consider short, medium and long term issues and scenarios,

The present basin plan is really producing an '***environmental watering plan***' with the socio-economic impacts just added on at the end

There are major deficiencies in how MDBA has gone about the planning. Basic to any 'best practice' basin planning approach, is the need for wide spread 'participation and consultation' with the widest spread of stakeholders – this has not occurred; MDBA has not undertaken any meaningful basin-wide consultation down at local levels during the formulation of the plan,

Communities have not had any chance to see, discuss and debate the hydrology assumptions and how the various models have been used to determine 'sustainable yields' for each valley, how the science has been used to conclude that the basin is in poor health, and why all this means that '*3000 GLs are the minimum extra water needed to satisfy the environmental needs*',

There should have been workshops in the upper and lower parts of each of the 18 or so valleys/sub-basins in the MDB and probably two or so rounds of these workshops, to properly explain and then allow discussion, scrutiny and debate about all these underlying assumptions and data.

To summarise, the Committee appears to have no option but to accept and then consider regional socio-economic impacts that will occur as a result of:

An inappropriate piece of legislation that expressly prevents integrated river basin planning, nor a 'balanced approach', in accord with widely accepted 'best practice' concepts,

A planning process that has not opened up the science and hydrology to scrutiny and public discussion and debate, and that often appears at odds with what the regional communities see on the ground, as improvements in land and water management,

A complete lack of meaningful consultation and participation between MDBA and the communities up and down the 18 or so valleys within the MDB – all communities must first understand the 'robustness' or otherwise, of the science and the hydrology to be able to then judge the relativity of the socio-economic impacts; why debate these s-e impact levels if in fact the underlying science just can't be justified?

A lack of consideration of the long term socio-economic objectives for Australia and the basin, meaning that the present short term decisions being considered will almost certainly be at odds with the long term needs and strategic directions.

A lack of consideration of food security and food and fibre productivity issues over the short, medium and long term - it is now said by some economists that Australia now consumes as much as 70% of its food production (previously thought to be more like 35%) so what long term impacts if we take away say, 35% of water from production, during a time when we need to be increasing food productivity.

Mitigating the Adverse Impacts,

On the basis that the environmental watering needs defined in the plan cannot be questioned (***really a major conceptual problem that impacts on the integrity of the plan***), the medium and long term impact issues must be addressed first by developing '***strategic development, business and people management plans***' for each of the 18 or so valleys in the MDB, (short or immediate term responses are not covered here; local government, industry and social welfare groups should be advising on these), These ***strategic plans*** should have many sub-plans or sector plans that feed into the overall perspective. There will be, as an example;

. Population trends and possible expansion, industry and regional growth options, land use and agriculture perspectives (see comment in the report below on the 'McGovern conclusions'),

- . 'Water infrastructure, efficiency, research, new technology and long term needs' plans (10, 25, and 50 year perspectives) – these respond to the medium and long term population/development trends by defining where water needs may come from, ,
- . Food and fibre trends, requirements and obligations – local, regional, state and national present and future needs, world needs in an increasingly affluent society and Australia's role in meeting these expanding needs,
- . Transport, health, business, social assistance and other services perspectives – how to manage the needs of changing regions and adjust to likely changes in the 'shape and content' of regional economies
- . People strategies to better equip communities for a different future.

It is really beyond any interpretation of good basin planning to not consider the longer term planning scenarios – say 10, 25 and 50 year horizons – when considering present day adjustments of the water shares for the environment and socio-economic sectors. No government policy in transport, health and so on would just take a present day view and not at least have a 'peek' at the future; why should basin planning be different – **it should not!**

2. Summary of the Submission to MDBA on the MDB plan

The Draft Basin Plan does not provide a 'balance' between social, economic and environmental factors. Maybe MDBA would argue that the Water Act limits the response in equally considering these three factors but it seems the rhetoric linked to the plan has always been that 'equality and equity' were the foundations on which this entire process was based and MDBA simply has not delivered on a 'balanced approach'.

In the longer term the Act must be changed to better reflect 'balanced, integrated river basin planning' concepts and should return to the consensus approach between all states and the Commonwealth, rather than the centralised, autocratic approach of MDBA (the previous MDBC model may have needed a 'grease and oil change' but it was seen as a world leader in participative, transparent, and consensus river basin planning, and should not have been replaced by the present centralised approach that has been rejected world wide as being appropriate for modern basin planning,

Virtually all countries now follow approaches that seek to determine an 'agreed balance' between environmental, social and economic outcomes – not give a 'first up' priority to any one of these - and to do this through open and transparent participation and consultation with all basin stakeholders, and to consider short, medium and long term issues and scenarios, The Tennessee Valley Authority was the leader in single purpose basin planning (socio-economic) in the 1930's – 1950's but has moved away from this over the last 30 years to follow an integrated, balanced approach like the former MDBC,

The social implications of the draft Basin Plan will lead to serious hardship on communities right across the Murray-Darling Basin. Impacts have not been sufficiently or clearly outlined.

The economic impact statements that have been provided are not credible in their present form. Independent experts have said that hundreds and likely thousands of jobs in regional communities are at risk. Your assertions that only a handful of jobs will be lost seem indefensible. You must detail exactly what the employment ramifications will be in each community from which you plan to remove productive water.

The benefits that the Draft Basin Plan will bring are not clearly defined. Claims are made about 'environmental good and improvements' but are unable to detail exactly what it is that is currently wrong, what needs to be righted and how you plan to do that. The fact that you have left out any serious consideration of the many options relating to how to better manage the lower lakes in South Australia – particularly as to how the lower river can again have some form of estuary and a mix of fresh and marine water – simply means that the plan is 'terminally deficient'; This factor/weakness alone means that the plan has to be rejected in its present form.

The absence of an Environmental Watering Plan is a complete puzzle. How can you possibly claim a volume of water must be removed from productive use without being able to specify when, where and how it will be used?

You have been unable to identify an environmental water delivery plan. The Murray-Darling system is a complex hydraulic system with many natural constraints and it will not be a simple matter of moving water from one place

to another at specified times. Why have you not considered and detailed the delivery constraints? What impact will environmental water have on existing delivery constraints? Will there be further economic impact as environmental users compete for delivery capacity with productive users.

The historical period that you have used to calculate inflows concluded in 2009. Whilst this would normally be an acceptable hydrologic approach, the last few years have been so wet after the prolonged drought that you must find a way – even if time-consuming – to include these wet years in the analysis otherwise the credibility of the planning process in the eyes of the basin community will be even further eroded beyond the present disastrous

The preferred approach would have been for MDBA to;

* open up the science, hydrology and modelling for debate, the to determine from this process a set of agreed environmental objectives for the basin's key assets and for the environment of each valley, after wide consultation ,

*to agree on a set of environmental improvement targets, and a timetable, for each valley, that would allow these objectives to be met,

3. How Does this Relate to this present Senate Enquiry on the Murray Darling Plan?

As detailed above the whole MDB planning process, and the plan itself, is fundamentally flawed and has diverged widely from what is considered 'world best practice' in river basin planning. This is most unfortunate as **we do need a good basin plan** that, after wide consultation, achieves the best balanced and most acceptable allocation of water and natural resources between all uses and users in the basin.

The most beneficial outcome right now would be for there to be a 'pause' in the MDBA activities on plan implementation and instead, a concentration on 'where are we at, what wasn't done effectively, what needs to be changed, and what scenarios are out there for the next '10, 25 and 50 years,' – in a sense a mid-term review, re-assessment and credibility check, and a sensible peek into the future to see if we are making bad decisions now that will impact later on. This should be done through a very wide consultation process – meetings held in all valleys within the basin and with the upper, mid and lower communities in these valleys.

I am not close enough to present data and information to talk on plan progress, costs and specific impacts on agriculture, businesses and communities. However to basically have excluded the management of the Coorong, Lower Lakes and Murray mouth, including the environmental impact of the locks, weirs and barrages of the Murray River, from the plan, when this lower region is probably the largest environmental water issue in the basin, is a fundamental reason why the plan is flawed. There will be a number of submissions that will clearly cover this issue and in particular that of Mr. Ken Jury.

A central part of the plan's implementation is the achievement of 'sustainable diversion limits' (SDL's) for each valley (finding ways of clawing back water from productive uses to bring the environment share up to achieve perceived healthy levels) and a 'constraints strategy' to find ways of overcoming blockages and inefficiencies in passing flows through the system. Putting aside the issue that the SDL's are based on conclusions from what is widely considered a flawed plan, seeking to achieve these through a range of packages/projects that State agencies are to develop must have a wide community consultation. It is these regional communities that have already been severely impacted on by water re-allocation to the environment yet it seems from wide comments I have received that these SDL projects are not adequately taking account of the full range of local and regional socio-economic impacts. In NSW, the agencies should create a specific 'SDL Expert Advisory Group' that can liaise directly with community groups, ensure all matters and locally-developed projects are properly considered and then report back to the agencies/Minister on what is smart and sensible and what is not. At present these does not seem to be credible, trustworthy relations between local communities and the NSW state agencies on the SDL issues.

Much the same applies to the Constraints Strategy – as a number of other submissions have identified (See Jan Beer). It is essential for the state agencies to work more closely with local communities to ensure sensible options are developed, not ones that seem good on paper but lack local effectiveness.

Again it might be appropriate to use the independent advisory group mentioned above to make this process more effective and transparent.

In Conclusion, we need a good basin plan that is credible, transparent and balanced – such a plan will not meet everyone's needs and expectations and wide, total agreement is probably never achievable as there is no, one 'silver bullet' solution in river basin planning. But a wide, transparent and honest process of reviewing where we have come from and where to from here, will bring us much closer to a shared and acceptable planning outcome.

The most beneficial outcome right now would be for there to be a 'pause' in the MDBA activities on plan implementation and instead, a concentration on 'where are we at, what wasn't done effectively, what needs to be changed, and what scenarios are out there for the next '10, 25 and 50 years,' – in a sense a mid-term review, re-assessment and credibility check, and a sensible peek into the future to see if we are making bad decisions now that will impact later on. This should be done through a very wide consultation process – meetings held in all valleys within the basin and with the upper, mid and lower communities in these valleys and maybe with the help of an expert advisory group. Through this process a more acceptable version of a basin plan will emerge, and guide and lead to the development, with a large amount of community input, of mid and long term 'strategic water/natural resources business plans' for all valleys within the basin.