



2017 Submission
to the
Basin Plan Amendments
proposed by the
Murray Darling Basin Authority

Namoi Catchment



Introduction

Acknowledgement

The Murray Darling Association Inc (MDA) and our member councils of the Namoi Councils Joint Organization thank the Murray Darling Basin Authority (MDBA) for the work done in undertaking the Northern Basin Review. We are pleased to provide the following submission to the in response to the proposed Basin Plan amendments.

Feedback contained in this submission is provided addressing four key topics as follows:

1. Northern Basin
2. Groundwater
3. Other practical Basin Plan proposed amendments
4. Other related feedback

Murray Darling Association

The Murray Darling Association is a membership-based peak representative organisation representing local government and the communities they serve across the Murray Darling Basin. Established in 1944, the MDA has a strong history steeped in the traditions and achievements of local government.

There are 179 local government organisations across the Basin whose communities derive their wellbeing from the resources of the area. The MDA provides our members with the means and opportunity to actively participate in informing water policy.

Our goal is to ensure local government, as the third tier of government in Australia, is strongly engaged in the decisions of state and federal government that impact the communities we serve.

The MDA supports the Basin Plan, and acknowledges that it has been agreed to by the Commonwealth, the ACT and the four Basin States, via the Intergovernmental Agreement on Implementing Water Reform in the Murray Darling Basin (the IGA). The MDA supports a united approach to the implementation of the Basin Plan that optimises social, economic, and environmental outcomes for the local communities our members represent.

Namoi Councils Joint Organisation

This submission has been prepared in collaboration with the Namoi Councils Joint Organisation, and member councils of MDA Region 11. The Namoi Councils Joint Organisation is a leading peak representative for the Namoi Region and has a key role in leading action in the region on key economic and social issues.

With member councils including Gwydir Shire Council, Gunnedah Shire Council, Liverpool Plains Shire Council, Moree Plains Shire Council, Narrabri Shire Council, Tamworth Regional Council, Walcha Council, and Associate Member Uralla Shire Council the Namoi Region covers over 66,456 km² and represents a population of 117,500 people.

The leading industry in the region is agriculture which contributes 14.6% of the GRP. In 2016, the Namoi Councils Regional Priorities listed security of water supply in its top priorities.

The Namoi sub-region spans an area of approximately 29,300 square kilometres. It includes the regional towns of Gunnedah, Narrabri, Quirindi, Walgett, Werris Creek and Wee Waa in New South Wales. The landscape is dominated by highlands in the east and south and a broad floodplain in the west. The population of the subregion is estimated to be about 27,000 people concentrated along the Namoi River between Gunnedah and Narrabri. The river basin is home to the Indigenous communities of the Gomeroi people. About 80% of the subregion is used for agricultural production and forestry.

1. Northern Basin Review

The MDA and our member Councils across the northern Basin welcome The Northern Basin Review, and broadly support the proposed amendments, particularly the proposed change to reduce the northern basin water recovery target from 390GL to 320GL.

However, the devil is in the detail and the councils of the Namoi region are concerned by the proposed amendment to recovery targets in the Naomi.

Catchment		Current Basin Plan (GL)			Proposed amendment (GL)			Recovery to date*** (GL)
		Local reduction	Shared reduction*	Total reduction	Local reduction	Assumed shared reduction*	Total reduction	
Queen sland	Paroo	0	0	0	0	0	0	0
	Warrego	8	0	8	8	0	8	8
	Nebine	1	0	1	1	0	1	1
	Moonie	0	2	2	0	2	2	2
	Condamine–Balonne	100	42	142	100	0	100	65
	Queensland Border Rivers	8	15	23	14	15	29	15

	Queensland total	117	59	176	123	17	140	91
New South Wales	Intersecting Streams	0	8	8	0	8	8	8
	Gwydir	42	14	56	42	0	42	48
	NSW Border Rivers	7	9	16	7	0	7	3
	Namoi	10	14	24	20	0	20	13
	Macquarie-Castlereagh	65	18	83	55	16	71	83
	Barwon-Darling	6	22	28	32	0	32	32
	NSW total	130	85	215	156	24	180	187
Whole of North totals		247	143	390	279	41	320	278

As shown in the table above, the amendments propose an increase of 10GL in local reductions for the Namoi, effectively doubling the reduction rate for our immediate area.

With 7GL yet to be recovered under the proposed amendments, and all of that quantity now being deemed local reduction, the impacts on the communities within the Liverpool Plains, Narrabri Shire and Gunnedah Shire are likely to be significant. The Tamworth Regional Council area is a significant service centre with a diverse economy, and as the region adjoins these two directly impacted council areas, indirect and perhaps less significant impacts can be expected.

The only other Valley or catchment area to have had such a significant increase in local reduction rates while benefiting from a corollary decrease in assumed shared reduction is the Barwon-Darling. This appears to be something of an 'accounting shift', or at best a moot point as the total recovery to date has already met the target.

Deloitte Access Economics, May 2012 estimated in its report *'The Value of Water to the Namoi Valley'* assessed the socio-economic impacts of water reform using a proposed reduction of 80GL in the Namoi, results in a decline of 0.6% in GRP, a reduction in cotton production of 9% which equates to 100 FTE (seasonal workforce).

It is noted that under the proposed amendments, the recoveries to date from the both the Gwydir and the Macquarie/Castlereagh exceed the required amount by 6GL and 12GL respectively.

Water is a critical input for agriculture and agribusiness. Agriculture is the mainstay industry for the region. The Namoi Councils Joint Organisation conducted a report into the future opportunities for the Namoi region. The *'Shaping the Future Report'* completed by the Regional Australia Institute, said that for the region to grow, it should maximise agricultural innovation. Any threat to the growth of the agricultural sector is a concern to the Joint Organisation.

Submission

- That 7GL of these over-recoveries be applied to off-set the balance of recovery required for the Namoi Region local reduction.
- We encourage the full value of over-recovery be returned to the consumptive pool.
- We support maximising water recovery through improved irrigation infrastructure wherever possible, not through the purchase of water, as investing in irrigation infrastructure is a direct investment in communities and it leads to benefits that stay within the community.
- That the state and federal governments, and the MDBA to work more closely with local government, through the MDA and the Namoi Councils Joint Organisation to support the implementation of complementary measures and projects to mitigate the social and economic pain of further recovery, and to develop more imaginative approaches to the use of environmental water, using local knowledge and expertise.
- That the MDBA and our state and federal governments adequately resource, and collaborate with local government as a key strategy in capturing and applying local knowledge and delivering community benefit in the continuing recovery of the required volumes.

2. Groundwater

The proposed amendments to the sustainable diversion limits (SDLs) for groundwater in the following areas:

- Eastern Porous Rock (New South Wales)
- Western Porous Rock (New South Wales)
- Goulburn–Murray (Victoria)

Eastern Porous Rock

This area covers inland north-east New South Wales within the bounds of Goondiwindi, Tamworth and Dubbo. The proposed SDL limit for this area will increase by 14.9 GL per year.

Eastern Porous Rock (groundwater) catchment areas	Current SDL (GL/y)	Proposed SDL (GL/y)	Change (GL/y)
Gunnedah — Oxley Basin Murray–Darling Basin catchment	114.5	127.5	+13.0
Sydney Basin Murray–Darling Basin SDL resource unit (GS41)	17.2	19.1	+1.9
Total	131.7	146.6	+14.9

For the purposes of this submission, we confine our remarks to the Eastern Porous Rock (groundwater) catchment areas of the Gunnedah – Oxley Basin Murray-Darling Basin catchment.

The MDA and our member councils of the Namoi Councils Joint Organization support the proposed 13GL increase to take the SDL for that catchment to 127.5GL.

We understand that the total entitlements currently on issue from that catchment amount to roughly 30GL, with an average of approximately 12GL per year currently extracted, leaving significant spare capacity for future growth and expansion in the area.

Submission

- That an increase in SDL volumes in the Eastern Porous Rock, and other areas and a less conservative approach to setting SDLs than that taken by the MDBA can be justified if suitable management actions are in place to manage the potential impacts of increased groundwater take. We support the proposed amendments to the management rules.
- That the MDBA partner with local government to better communicate the positive capacity of our groundwater storages, providing a better level of social and economic confidence and certainty for our water dependent communities.

3. Other practical Basin Plan proposed amendments

3.1 Boundary changes to align better with state boundaries

Section 3.06 of the Basin Plan contains reference to datasets that identify the boundaries of the groundwater WRP areas. The MDA supports the proposed changes in Chapter 3, and corollary amendments to Schedule 4 to update maps and spatial datasets.

Similarly, the proposed amendment to Chapter 6 recognising changes to the SDL resource unit boundaries as a result of the state water planning area changes are seen as routine but important elements of 'housekeeping' to enhance interagency alignment and consistency.

We note that the proposed area changes do not change the SDLs in the associated SDL resource units, and support the changes on that basis.

Submission

- The MDBA partner with the MDA and our member councils to undertake a body of work to further enhance interagency alignment and consistency and consistencies across the regions and states of the Basin.

3.2 Giving basin states extra time to specify the allocation of their shared water recovery targets.

Shared reduction amounts are specified under the Basin Plan to satisfy the environmental needs of the Murray and Darling rivers. The Authority proposes amendments to allow the Basin states additional time to nominate the allocation of the shared reduction amount across SDL resource units.

In its report, the MDBA notes that a social and economic analysis cannot be undertaken as the change provides the opportunity for a Basin State to request a reallocation of the shared reduction amount and it is uncertain whether this request will be made or what the scale of the request would be.

Submission

- That the NSW state government, and the MDBA work more closely with local government, through the MDA and the Namoi Councils JO to develop and specify the allocation of their shared water recovery targets in the most timely manner.

We have some concerns that there is no social and economic analysis of the uncertainty created by the absence of clear and accountable timelines and the compliance of the stats in meeting these.

3.3 Changes to the ACT's baseline diversion limit to reflect current water recovery

Submission

Nil

3.4 Changes to compliance on sustainable diversion limits in certain circumstances

The Authority proposes to amend the way the cumulative balance of water take is calculated for the purposes of assessing compliance with the SDL for a particular circumstance. The proposed calculation would allow the Authority to account for a particular circumstance: that the Australian Government does not achieve the water recovery target that it has set for itself. This amendment adjusts the cumulative balance on the register of take to allow for the annual removal of any debits which are incurred in the previous water accounting period, as a result of a particular circumstance that is considered beyond the basin state's control.

Submission

- No apparent impact on local government or the communities we serve by this amendment. We don't really have a view on this, provided the amendment does not provide an unfair advantage to Cth over our regions in complying with and accounting for their obligations in reducing SDLs.

3.5 Minor changes to water trading rules to provide more clarity

The Authority proposes to amend the Basin Plan water trading rules to improve clarity. The changes clarify definitions without changing the overall operation of the water trading rules. The Authority obtained advice from the Australian Competition and Consumer Commission in preparing the proposed amendments.

Submission

- that the changes to intervalley trade does not adversely impact local businesses and industry through a diminution of available allocation within a region, risking adverse impact on our regional industries.
- That the MDBA work closely with local government through the MDA and the Namoi Councils Joint Organisation to ensure that the practical implications of the proposed changes are properly understood and communicated through local government to our local business and industries.

3.6 Minor changes to the Basin Plan following changes to the *Water Act 2007*.

The 2016 amendments to the Water Act include a requirement for the Basin Plan monitoring and evaluation program to include five-yearly reviews of the social and economic impacts of the Basin Plan. In order to fully implement the new Water Act requirement, the Authority is proposing to include a review of social and economic impacts in the Monitoring and Evaluation Program in Chapter 13.

The Authority is also proposing to reschedule an assessment of monitoring, evaluation and reporting capabilities from 2017 to 2020. The proposed change to section 13.23(1) of the Basin Plan will align this provision with the new 2020 timing of the reviews outlined above.

Social and economic analysis and scientific knowledge the proposed amendments correct references following amendments to the Water Act and implement changes to the timing for reporting in line with the Australian Government response to the Water Act review. These changes are of an administrative or procedural nature and are not based on social or economic analysis, or scientific knowledge.

Submission

- We support the inclusion of a review of social and economic impacts in the Monitoring and Evaluation Program in Chapter 13.
- That the MDBA actively support local government through the MDA in the development of a rigorous and repeatable Basin Plan social and economic impacts evaluation framework that can distinguish the short term and one off impacts from the underlying performance of the plan.
- Further, that the MDBA incorporate the use of data drawn from the regions through the application of that framework in both the application and the assessment of monitoring, evaluation and reporting capabilities.

4. Other related feedback

4.1 The Murray–Darling Basin Authority (MDBA), in its published materials asserts that the MDBA is the agency responsible for establishing the Basin Plan in consultation with state and Commonwealth governments, industries, and communities.

- Local government across the basin is of the view that there is a significant oversight in that statement in so much as there is no reference there to consultation with local government. Local government in Australia is the third tier of government in Australia, and is that level of government most closely in touch with industries and community across their areas.

4.2 Appendix A to the report lists a number Northern Basin Review related publications.

- A more conventionally referenced bibliography, including publishing authors, publication dates and access links to supporting documents may have been beneficial in providing a detailed feedback.
- The MDA makes a note of appreciation of the help and expertise of Basin Authority staff in their guidance to and assistance in locating relevant supporting documents and information.

4.3 *Recommendation 6. The Authority recommends there be a preference for water recovery based on irrigation infrastructure improvements rather than through water entitlement purchasing.*

- The MDA member councils express their strong support this recommendation. The MDA has long advocated that buybacks are the most destructive form of water recovery, taking water out of the consumptive pool, reduces productive capacity. The knock-on effect of buybacks on local communities beyond the initial retirement of debt or cash injection for individual licence holders has been shown to be devastating on many Basin communities.
- Buybacks also create a 'Swiss cheese effect' in irrigation districts where operational costs remain fixed yet opportunity to recover those costs is negatively impacted through reduced delivery. Fees for remaining irrigators must go up to cover costs, creating further social and economic hardship, and increased cost burden to councils.



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