INLAND RIVERS NETWORK

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Secretariat
Select Committee on the Murray-Darling Basin Plan
PO Box 6100
Parliament House
Canberra ACT 2600

murraydarling.sen@aph.gov.au

Dear Sir/Madam,

The Inland Rivers Network ("IRN") is a coalition of environment groups and individuals concerned about the degradation of the rivers, wetlands and groundwaters of the Murray-Darling Basin. It has been advocating for the conservation of rivers, wetlands and groundwater in the Murray-Darling Basin since 1991.

Member groups include the Australian Conservation Foundation; the Nature Conservation Council of NSW; the National Parks Association of NSW; Friends of the Earth; Central West Environment Council; the Coast and Wetlands Society and the Wilderness Society, Sydney.

IRN welcomes the opportunity to lodge a submission to the Senate Inquiry into the Murray-Darling Basin Plan ("the Basin Plan"). We have engaged in the development and implementation of the Basin Plan since the passing of the Water Act 2007 (C'wealth), including stakeholder briefings and broad consultation on the various stages of implementation.

The Basin Plan has been recognised internationally as a significant achievement in cross-jurisdiction water management. We consider that the Murray-Darling Basin Authority (MDBA) has taken a very measured and inclusive approach to developing the implementation programs.

Socio-economic impacts have been considered throughout the development of the Basin Plan, including within the modelling developed to identify the requirements of key environmental assets and functions.

In this submission we endeavour to address the issues outlined in the terms of reference for the Inquiry.

a. the implementation of the plan, including:
    i. its progress,
    ii. its costs, especially those related to further implementation,
    iii. its direct and indirect effects on agricultural industries, local businesses and community wellbeing, and
    iv. any evidence of environmental changes to date;
b. the effectiveness and appropriateness of the plan's Constraints Management Strategy, including:
    i. the progress of identifying constraints and options to mitigate the identified risks, and
    ii. environmental water flows and river channel capacity;
c. the management of the Coorong, Lower Lakes and Murray mouth, including the environmental impact of the locks, weirs and barrages of the Murray River; and
d. any related matter.

1. Basin Plan implementation

The progress for implementing the Basin Plan is meeting the timeline targets and has involved detailed consultation with local, regional and state-wide communities.

1.1 Constraints Management Strategy

The MDBA identified the key areas of constraint for delivering the outcomes of the Basin Plan and published the strategy for managing these issues in 2013 after extensive consultation. The budget for implementing the Basin Plan includes $200 million towards solving constraints issues.

IRN considers that investment in infrastructure improvements to deliver environmental water will provide additional social and economic benefits in times of natural flooding events. These broader benefits need to be acknowledged as an outcome of Basin Plan investment.

There also needs to be recognition that minor flooding events on private property easements can have economic benefits by filling the soil moisture profile, connecting with alluvial aquifer systems and depositing soil nutrients.

1.2 The Basin-wide environmental watering strategy

The environmental watering strategy was completed on time in November 2014 with broad stakeholder consultation. It aims to meet the environmental objectives of the

Basin Plan by targeting four indicators of river health: river flows and connectivity, native vegetation, waterbirds and native fish. The strategy aims to help waterway managers, Basin state governments and environmental water holders to meet the long term environmental objectives for a sustainable Basin. This is in collaboration with local knowledge, including local Aboriginal communities, landholders, industry representatives and other interested parties.

IRN considers that the environmental watering strategy was developed in close collaboration with all stakeholders in the Basin and provides the direction for achieving environmental outcomes and sustainable use of the river systems.

1.3 Adjustment Mechanism

The MDBA is working closely with state water managers to have the final adjustment of the Sustainable Diversion Limit (SDL) completed by June 2016.

IRN considers that the recent amendment to the Water Act, capping the purchase of environmental water licences from willing sellers to 1500 GL will severely impede the achievement of the Basin Plan objectives.

2. Basin Plan costs

IRN considers that the investment of $13 billion dollars towards implementing the Basin Plan is a major investment in regional communities and the irrigation industry to assist its conversion to a more sustainable footing.

This investment is the largest input of public money into natural resource management and irrigation infrastructure improvement programs in Australia's history.

The spending of $2.5 million per day mostly within regional irrigation-based communities is a major economic benefit that needs to be recognised.

IRN considers that the purchase of environmental water from willing sellers is the most cost effective way of returning the Basin to an environmentally sustainable level of extraction. The recent capping of environmental water purchase to 1500GL will increase the cost to the Australian public of achieving the objectives of the Basin Plan.

3. Direct and indirect impacts on communities

The benefits of a healthy river system include the economic benefits of improved water quality within Basin rivers. The management of increasing salinity, blue-green algal blooms, chemical pollution and other water quality issues is a cost to regional economies.

Improved water quality removes the costs of managing polluted town water supplies, provides better water for growing crops, and enhanced tourism and recreational fishing opportunities.

The economic benefits of a healthy river system must be taken into account.

IRN considers that the investment in the Basin Plan has provided regional communities with the opportunity to maintain or improve irrigated production levels. The investment of public money into on-farm and off-farm efficiency measures is a major benefit to local communities that must be recognised.

Irrigators who have chosen to sell licences for environmental purposes have the opportunity to reinvest in more efficient water use, invest in other local industries and maintain their support of local communities.

The complex array of issues impacting on local economies, particularly those without a diversified base must be considered. They all influence farming and Basin communities. These include commodity prices, weather conditions, exchange rates, demographic trends not limited to the Murray Darling Basin and terms of trade.

The investment in the Basin Plan is aimed at long-term improvement in the environmental, social and economic health of the Murray-Darling Basin. The other scenario is the continued decline in river health, ongoing unsustainable extraction of water from the river system and ultimate ecosystem collapse that will have far reaching impacts on human endeavour and survival into the future.

4. Evidence of environmental change

IRN has members engaged in various community advisory groups across the Basin. These include the NSW Environmental Water Advisory Groups (EWAGs). These groups have a broad cross-section of local representation who make decisions on environmental water delivery to meet certain objectives each year.

The EWAGs include representative of the Commonwealth Environmental Water Holder (CEWH), state environmental water holders, water delivery managers and industry and community-based organisations.

Since the commencement of the Basin Plan and the combined decision-making around water delivery using local knowledge, many environmental benefits have been achieved. These include maintaining resilience of core wetland habitat, improving fish breeding opportunities, increasing connectivity between surface and groundwater systems and improving the health of the internationally listed Ramsar wetlands and migratory bird habitats.

Water dependent ecosystems are very complex and require water at seasonally appropriate times to trigger breeding events, plant germination, provide food sources for native fauna and maintain floodplain vegetation health eg River Redgums.

There is still more work to do to regain the environmental health and resilience of key environmental assets and functions across the Basin. However, the early signs of environmental watering indicate that basic objectives are being met, while more environmental water will provide the ability to improve the health and resilience of wetland, groundwater dependent and riverine ecosystems.

The broader public in Australia have a stake in the long-term health of the Murray-Darling Basin. This is demonstrated by the support for substantial public investment to assist a more efficient and sustainable irrigation industry to continue.

A case study for evidence of environmental change is the delivery of environmental water to the Ramsar listed Macquarie Marshes in the northern Basin. The EWAG was established under the NSW water sharing plan for the Macquarie River. This advisory group has benefited by the addition of Commonwealth held water in the catchment. The ability to meet objectives to keep the core Marsh in healthy condition through dry periods has improved considerably with the additional environmental water made available through the implementation of the Basin Plan.

5. Coorong, Lower Lakes and Murray mouth

One of the key purposes of the Basin Plan is to return a percentage of natural flow variation throughout the entire river system. This includes reaching the Ramsar listed wetlands at the end of the Murray.

These key ecological assets rely on estuarine processes that include a mix of freshwater and saltwater variables over time and season. These processes have been diminished with the increased extraction of freshwater upstream across the Basin states.

These internationally significant wetlands were threatened with ecological collapse during the millennium drought. The purpose of the barrages has been to mitigate the loss of freshwater inflows by managing saltwater inflows.

The complex nature of wetland ecosystems requires careful management. A decision to permanently destroy these estuarine processes will have major impacts that must be clearly understood.

The Australian public value the environmental assets at the Murray mouth and have supported major investment in the achievement of a Basin Plan that secures the long-term future of these ecosystems.

6. Benefits of the Basin Plan

IRN does not accept that the implementation of the Basin Plan is destroying irrigated agriculture. The continued reliance on flood irrigation systems at a time when modern, efficient, water-saving irrigation systems are available is not an acceptable practice in Australia's variable climatic conditions.

The Basin Plan is providing substantial public funding to the irrigation industry and their dependent communities to produce the same or more economic outputs with less water wastage.

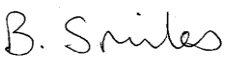
The Basin Plan is not pushing the price of water to unacceptable levels. The mining industry is paying far more for water licences than the CEWH. Market forces will determine the price of water, especially in times of shortage.

Water has been sold to the CEWH by willing sellers. There has been no compulsory purchase of environmental water. This has provided many licence holders with a choice to sell part of their entitlement and benefit from more efficient on farm and off-farm water efficiency measures. All the tenders for environmental licence purchase have been over-subscribed. This demonstrates support from within the industry for the opportunity to sell licences to the CEWH.

The issue of economic diversity in rural and regional areas is complex and needs to be considered for communities that are entirely dependent on the irrigation industry. Regardless of the Basin Plan, these communities experience economic downturns during drought and times of low allocation. More effort to assist in regional development programs would help these communities to spread their economic risk.

The Basin Plan is a very important advance for a modern society to manage a scarce and vital resource more sustainably so that environmental, social and economic benefits can be enjoyed in the Murray-Darling Basin for many generations.

Yours sincerely



Bev Smiles
President

IRN welcomes the opportunity to further engage with the Senate Committee on these matters.

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