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**Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600**

Via email: rrat.sen@aph.gov.au

Submission – The integrity of the water market in the Murray-Darling Basin

Thank you for the opportunity to make a submission with respect to the integrity of the water market in the Murray-Darling Basin.

Background Information

Alexandrina Council covers 1800 square kilometres at the very end of the Murray-Darling Basin system. We are home to over 25,000 people and the River, Lower Lakes and Coorong are central to our way of life. We are extremely proud and privileged to have stewardship of this iconic area of South Australia and note there is a direct link between the ecological health of the Coorong, Lower Lakes and Murray Mouth (CLLMM) region and the economic, social and cultural wellbeing of our people. If the river suffers, we suffer.

Against this backdrop, Alexandrina Council has been a long-term advocate for the interests of a healthy, working Murray-Darling Basin and we are committed to advancing the national interest; and working for the good of all industries, communities and environments that depend on a healthy and resilient River Murray.

We have also strived over many years to ensure that our own approach to water use and conservation reflects our role as an ambassador for the CLLMM region. Council's initiatives have included effluent and storm water reuse, water sensitive urban design, community education programs and events, water saving initiatives in Council buildings and open space irrigation policies.

Prior to adoption of the Basin Plan, the unsustainable use and management of Basin water resources (combined with severe drought) had a devastating impact on our community. The impacts of the Millennium Drought on our region are well documented elsewhere¹ but included low water levels, elevated salinity, vast exposure of acid sulphate soils and localised acidification of surface waters. As a result, what lake water there was became either inaccessible or unusable for irrigation, whilst low water levels had a significant impact on tourism and related industries, with associated drops in property values and sales.

¹ See for example DEH (2010) *Securing the Future, Long Term Plan for the Coorong, Lower Lakes and Murray Mouth*.

Following the return of higher flows in 2010, Council worked side by side with the community in seeking to ensure that the Basin Plan would prioritise return of sufficient water to the system, so as to avoid as far as possible, a repeat of what we experienced during the Millennium Drought. To this end, we advocated strongly for the inclusion of end-of-system locality-specific targets in the Basin Plan, and it is of critical importance to our community that these targets now be achieved.²

Our farms, our businesses and our community are strong supporters of the Basin Plan, but we also recognise that the current 2750GL recovery target is a compromise position – we know that even the higher 3200GL target is not enough to guarantee a healthy river. Nonetheless, the Basin Plan as it stands is the best chance we have to return the Basin to a more sustainable level of take and to provide much needed certainty and security for all users of Basin water resources. To this end, Alexandrina Council has repeatedly called for the Basin Plan to be delivered in full and on time.

Given the historic nature of the intergovernmental agreements which have made it possible, any undermining of the Basin Plan is seen by Alexandrina Council as a significant risk with real potential for resultant harm to our business sector (particularly agriculture & tourism), to our environment and to the health and wellbeing of our people.

We address each of the Terms of Reference in turn below:

a. The allegations of theft and corruption in the management of water resources in the Murray-Darling Basin

The allegations of non-compliance in NSW as aired on Four Corners are of serious concern to our community. Here in South Australia we have been leading the way in water efficient irrigation for many years. It is thus extremely unsettling for our irrigators to see allegations such as those aired in the Four Corners report. Proper compliance of water rules is crucial for ensuring community confidence in Basin Plan outcomes along the entire length of the river. In times of severe drought, the Alexandrina community need confidence that upstream States and water users are doing the ‘right thing’, and that Basin Plan environmental watering will operate as expected.

b. The investigation and public disclosure by authorities, including the New South Wales Government and the Murray-Darling Basin Authority, of reported breaches within the Murray-Darling Basin, including the Barwon-Darling Water Sharing Plan

We note the findings contained in Ken Matthews’ interim report that water-related compliance and enforcement arrangements in NSW have been ineffectual and require significant and urgent improvement.

We concur with Mr Matthew’s recommendation of “no metering, no pumping”. Metering of extraction and consistent monitoring and compliance arrangements along the full length of the river system are critical to restoring public trust and confidence in implementation of the Basin Plan.

² i.e. the environmental watering objectives regarding the ecological character of Ramsar wetlands, minimum lake levels and flows through the Murray Mouth (Basin Plan, Chapter 8, Part 2), the salt export objective (Basin Plan, Section 9.09), and the salinity target for Milang (Basin Plan, Section 9.14).

We also note the development of emerging technologies which could allow for remote monitoring of meters and water flows and encourage the MDBA, along with the Basin States, to continue to explore and invest in development of these next generation monitoring and compliance tools.

c. The actions of member states in responding to allegations of corruption and the potential undermining of the Murray-Darling Basin Plan

We welcome Ken Matthew's interim report as commissioned by the NSW Government, and are closely monitoring the various actions and investigations being taken by interstate authorities, including the MDBA and Federal Government, in response to the Four Corners allegations.

We are aware that the South Australian Government, a coalition of South Australian Senators, and our neighbouring Councils within the Murraylands & Riverlands Local Government Association (**MRLGA**) have all called for an independent judicial inquiry.

River communities expect our governments to work together in good faith to deliver the Basin Plan in full and on time. We are conscious of the time and money involved in establishing a judicial inquiry, but if there is any doubt that the current suite of inquiries already in place do not collectively have sufficient independence, power and scope to adequately investigate and assess these allegations of theft and corruption, then we concur that such an inquiry should occur.

d. The use of Commonwealth-owned environmental water for irrigation purposes, and the impact on Basin communities and the environment

It is critically important that current water sharing arrangements in NSW, particularly in the Barwon-Darling, are reviewed and amended to ensure that irrigators are not able to extract for irrigation, water earmarked for the environment. This review process must occur prior to the accreditation of the State's Water Resource Plans in 2019.

In related matters, we understand the MDBA has written to the Governments of Queensland and NSW, seeking assurances that these governments are committed to implementing the complementary "toolkit measures" recommended by the Northern Basin Review. We understand these toolkit measures are to include amendments to current water sharing arrangements in NSW to ensure greater protections for environmental flows.

Alexandrina Council has previously submitted to the MDBA that it should not endorse any amendments to SDLs in the Northern Basin which might put at further risk, achievement of the end-of-system environmental targets, objectives and outcomes already embedded in the Basin Plan.

Given the current lack of confidence in NSW water management, we submit that the MDBA should not forward the proposed Northern Basin amendments to Minister Joyce until such time as NSW has taken the necessary action to ensure adequate protection of environmental flows.

e. the operation, expenditure and oversight of the Water for the Environment Special Account

Located as we are at the very end of the Murray-Darling system, Alexandrina Council has a particular interest in delivery of the 450GL of special account water by 2024. We note the success

of the current Commonwealth On-Farm Further Irrigation Efficiency (**COFFIE**) pilot here in South Australia and submit that similar funding program(s) should be rolled-out across the entire Basin so that participants with the most efficiency gains to be made can self-select for involvement. One way to address concerns regarding adverse socio-economic impacts would be to fund associated programs which support Basin communities to adapt to the broad drivers of change affecting rural & regional Australia (i.e. demographics, climate change, innovation in agricultural production, financial markets) and to embrace a more diverse range of economic development opportunities. The existing Murray-Darling Basin Regional Diversification Fund is an example of the kind of targeted structural adjustment program that could be considered.

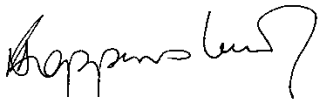
f. any other related matters.

Cumulative Impacts

As with many other South Australian stakeholders, our concern for the Basin Plan is 'death by a thousand cuts'. The cumulative impacts of the Northern Basin Review, the SDL adjustment process and political pressure not to deliver the additional 450GL of special account water are likely to have a significant impact on the final amount of environmental water recovered via the Basin Plan and therefore on environmental, economic and social outcomes in the CLLMM region. As stated above, best-available science tells us the benchmark 2750GL recovery target will likely be insufficient to return the CLLMM region to a sustainable level of health and yet we are facing a number of Basin Plan decisions in the coming year which are likely to reduce that figure even further. Nonetheless, we accept that the Basin Plan is the best chance we have to deliver a healthy, working river for future generations. Against this backdrop, it is absolutely critical that Basin States take a zero tolerance approach to deliberate non-compliance to give everyone confidence that water is being used as intended.

Alexandrina Council looks forward to the Committee's careful consideration of our feedback.

Yours sincerely



Glenn Rappensberg
Chief Executive Officer



Keith Parkes
Mayor