

# SUBMISSION

## Independent Review of the Water for the Environment Special Account – Discussion

6 December 2019



Murray Irrigation

### OPENING STATEMENT

Thank you for the opportunity to provide comment on your Discussion Paper. We also appreciate being invited to your Stakeholder Consultation Roundtable Meeting on 8 November. We believe this was a very useful and productive discussion for all those involved.

MIL strongly opposes recovery of an additional 450 GL for the environment. Our footprint is already experiencing very negative impacts, ecological and social, as a result of environmental water recovery to date. The process of recovering and using even more water beyond this runs the real risk of pushing our communities beyond their sustainable tipping point. Any future, unrestrained environmental water recovery can't be supported in southern NSW, or anywhere else in the Basin.

Please find below our comments against the five lines of inquiry that you've identified for your review. We're very happy to provide whatever additional assistance you need to ensure the review is as successful as possible

### MIL COMMENTS AGAINST THE PANEL'S FIVE LINES OF INQUIRY:

#### 1. How likely is it that the volume outcome of 450 GL can be achieved?

The volume outcome of 450 GL will not be achieved.

- All the low hanging fruit obtainable for the environment has been picked clean. We have reached a point where the water simply is no longer available to support this program, however a Federal Government may choose to go after it.
- This observation is further strengthened by the decision made by the Murray-Darling Basin Ministerial Council (MDBMC) in December 2018, that provided for a much more humane and reasonable socio-economic test than what was originally put into the Federal Water Act in 2012. In order to give effect to this collective agreement of Basin Water Ministers, including those representing the Commonwealth and South Australia, the 450 GL will not be achieved.
- Section 86AA of the Federal Water Act serves to solidify this view. Section 86AA specifies that the object of the Water for the Environment Special Account (WESA) is to: enhance the environmental outcomes that can be achieved by the Basin Plan. The recovery of an additional 450 GL, forced or otherwise, will not allow Canberra to meet this object. More water held by the Commonwealth Environmental Water Holder (CEWH) is NOT the answer for the Basin's ecological systems, and therefore will not deliver the overarching WESA outcomes.

#### 2. How likely is it that the volume outcome can be achieved by 30 June 2024?

The volume of 450 GL will not be achieved at all. This means it will not be achieved by 30 June 2024.

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### 3. How likely is it that \$1.575 billion can pay for projects to achieve the volume outcome?

Whilst we maintain the 450 GL is fundamentally unachievable, with a smarter approach, \$1.575 billion could still achieve the enhanced environmental outcomes identified in the WESA.

Some of the key outcomes highlighted in section 86AA(2) of the Federal Water Act include:

- improved water quality in the Coorong and Lower Lakes, supporting insects, fish and plants;
- maintaining specified water levels in the Lower Lakes, and increased flows in the Coorong;
- discharging salt from the Murray-Darling Basin; and
- environmental watering of an additional 35,000 hectares of River Murray floodplain.

A range of tools can provide for these outcomes that don't involve the very expensive and very onerous process of targeting irrigators in order to recover additional environmental water. An injection of \$1.575 billion into complementary measures and environmental works would go a lot further in terms of achieving these outcomes when compared to just trying to chase more water.

In creating the new socio-economic test, MDBMC has set a precedent of being able to reinterpret the very narrow confines of the WESA, to ensure a much better spread of public policy outcomes are achieved. It would be appropriate for Basin Water Ministers to now consider how the \$1.575 billion could be better spent in the interests of Murray-Darling Basin environmental outcomes.

### 4. What factors affect achieving the volume outcome within the available time and budget?

As noted, the identified volume of water isn't available. This is especially true once the MDBMC decision is applied, a decision that's critical for the long-term survival of irrigation communities. As we've also indicated, chasing the 450 GL directly contravenes the first object of the WESA (section 86AA), which specifies that its purpose is to enhance Basin Plan outcomes. This can't be done through additional environmental water recovery, other measures must be developed and applied.

### 5. How likely is it that \$200 million can pay for the identified constraints projects by 30 June 2024?

The Murray-Darling Basin Authority (MDBA) has identified seven locations in the Basin where it believes physical system constraints need to be addressed. Costs for related projects vary wildly:

• Yarrawonga to Wakool:	\$107m (MDBA estimate)	\$306m (NSW estimate)
• Murrumbidgee:	\$80m (MDBA estimate)	\$164m (NSW estimate)
• Hume to Yarrawonga :	\$22m (MDBA estimate)	\$35m (Vic-NSW estimate)
• SA Murray:	\$5m (MDBA estimate)	
• Lower Darling:	\$6m (MDBA estimate)	
• Goulburn:	\$47m (MDBA estimate)	\$140m (Vic estimate)
• Gwydir:	No Estimate Available As Yet	
<b>Totals</b>	<b>\$267m (MDBA estimate)</b>	<b>\$656m (state/MDBA estimate)</b>

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These seven projects are the ones being targeted with the \$200 million available under the WESA. Even under the very conservative MDBA estimates, and noting that Gwydir figures are not yet available, it can be assumed that \$200 million will not pay for these projects by 30 June 2024.

The first five projects listed have also been nominated by state governments as supply measures, which means they are eligible to access a share of the \$1.3 billion of Commonwealth funding available for these projects. Combined, and using more detailed figures, these projects have the potential to suck-up at least \$500 million of what has been made available to implement a total package of 35 projects. It is highly unlikely that Basin governments will collectively support 5 of the 35 projects currently on the table receiving the lion's share of available funding.

Further compounding this issue, both the Victorian and NSW Water Ministers have made public commitments to their communities that there will be no compulsory acquisition of easements in order to implement constraints projects. To achieve the level of voluntary agreement required, both states will need to directly engage with thousands of riparian landowners. The time and cost implications of this, which is essentially respectful and appropriate consultation, is prohibitive