

NSW submission on the Productivity Commission's draft report "Murray-Darling Basin Plan: Five-year assessment"

NSW Department of Industry

Published by NSW Department of Industry

NSW submission on the Productivity Commission's draft report "Murray-Darling Basin Plan: Five-year assessment"

October 2018

More information

NSW Department of Industry – Lands and Water Division

industry.nsw.gov.au

Acknowledgments

This submission has been prepared on behalf of the NSW Government

V18/1117#8

© State of New South Wales through Department of Industry 2018. You may copy, distribute, display, download and otherwise freely deal with this publication for any purpose, provided that you attribute the Department of Industry as the owner. However, you must obtain permission if you wish to charge others for access to the publication (other than at cost); include the publication in advertising or a product for sale; modify the publication; or republish the publication on a website. You may freely link to the publication on a departmental website.

Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (October 2018) and may not be accurate, current or complete. The State of New South Wales (including the NSW Department of Industry), the author and the publisher take no responsibility, and will accept no liability, for the accuracy, currency, reliability or correctness of any information included in the document (including material provided by third parties). Readers

Contents

Introduction.....	1
NSW Water Reforms	2
Water Resource Plans (WRPs)	2
Supply and Efficiency Measures.....	2
Institutional and Governance Arrangements	3

Introduction

NSW remains committed to the Murray-Darling Basin Plan (Basin Plan) and ensuring it is delivered in a way that balances economic, environmental, social and cultural objectives.

This submission provides the NSW Government's comment on the Productivity Commission's Draft Report Murray-Darling Basin Plan: Five-year assessment (the draft report) which was published in August 2018.

The draft report assessed Basin Governments' progress towards implementing the Plan and the extent to which current arrangements are sufficient to achieve the objectives of the Plan. It found that Basin Governments have made significant practical progress to implement the Basin Plan, particularly in recovering water for the environment and improving ecological outcomes, but are also facing significant challenges over the next five years including the development and accreditation of Water Resource Plans (WRPs) and delivery of supply and efficiency measures.

Consistent with the Productivity Commission's recommendations, the NSW Government encourages the Commonwealth and Basin States to ensure the timeframes are realistic so that we can deliver the best outcomes for communities within the Basin and for the environment. Consideration should be given to providing additional time for some deliverables where it can be clearly demonstrated that this will improve these outcomes.

All of the components of the Basin Plan need to be effectively implemented as intended, within realistic timeframes and in a way that provides certainty to all stakeholders.

This includes ensuring that:

- there is sufficient and timely funding, and flexibility, for Sustainable Diversion Limit (SDL) projects, the Northern Basin toolkit and efficiency measures to be adequately consulted upon and successfully delivered;
- there are clear governance arrangements in place between the Commonwealth, the MDBA and Basin States for the delivery of SDL projects, the Northern Basin toolkit, and efficiency measures;
- costs and risks are appropriately and adequately shared between Basin States and the Commonwealth throughout delivery and implementation of SDL projects and the Northern Basin toolkit;
- there are realistic timeframes in place for WRPs to ensure there is sufficient time to adequately and genuinely consult with all stakeholders to ensure good outcomes for the environment and the people of NSW;
- there is funding certainty around monitoring and evaluation of Basin Plan implementation; and
- transparency and compliance are improved.

The NSW Government is committed to working cooperatively with the Commonwealth and other Basin States to mitigate risks.

To date, Basin Governments have made significant progress in recovering water for the environment and improving ecological outcomes. Together, the NSW Government and NSW Basin communities have done most of the heavy lifting required in the Basin Plan, by recovering more than 1,031 GL of the total revised Basin Plan target of 2,075 GL to be returned to the environment. The remaining gaps both for NSW and the entire Basin are therefore small relative to the overall water recovery target. The new framework for environmental water management, aligned with the Basin Plan, is continuing to deliver positive results with over 750 environmental watering events taking place in the past five years.

NSW Water Reforms

NSW is making progress on many of the recommendations of the draft report through our Water Reform Action Plan (WRAP), which was released in December 2017 in response to the independent investigations into NSW water management and compliance, conducted by Ken Matthews, AO (the Matthews' reports) and the Murray Darling Basin Water Compliance Review (MDBA Review).

The WRAP sets out the NSW Government's commitment to an equitable and transparent approach to the management of water now and for future generations. It sets out a clear pathway to:

- introduce best practice for water management,
- build a compliance and enforcement regime that ensures strong and certain regulation,
- ensure transparency in how we share, allocate and manage water, and
- build capability to support implementation of water reforms, including secure and adequate funding of monitoring and evaluation.

In establishing the Natural Resources Access Regulator (NRAR), NSW has also taken tangible steps to rebuild public confidence and trust across the Basin and improve compliance and enforcement.

Water Resource Plans (WRPs)

NSW is responsible for 20 of the 33 WRPs required across the entire Basin. To support these WRPs, NSW also needs to prepare and make 31 amended or replacement Water Sharing Plans (WSPs) as components of the WRPs.

The draft report found that providing adequate time for consultation is critical to ensure that stakeholders understand the issues and have some input into solutions. NSW supports the MDBA and Basin States working together to allow sufficient time for meaningful engagement with all stakeholders and ensure that the quality of WRPs is not compromised. NSW remains committed to delivering its obligations under the Basin Plan, and to ensuring that stakeholders have time to adequately assess and provide feedback on how any proposed changes will impact upon them.

The NSW Government has released the draft Lachlan Alluvium WRP for public exhibition from 25 September to 6 November 2018. Stakeholders will also be provided the opportunity to attend information sessions. The draft Gwydir surface water WRP will also be released for public exhibition shortly. Extensive consultation will continue to occur with stakeholders including through the stakeholder advisory panels that NSW established for seven regulated river systems, the Barwon-Darling River and for the inland groundwater sources. NSW has also progressed a program of culturally appropriate nation by nation consultation with Aboriginal peoples.

Supply and Efficiency Measures

NSW remains committed to the triple bottom line outcomes that underpin the Basin Plan and to ensuring that we manage our water resources in an environmentally sustainable manner that is focused on more than just a number.

As such, the SDL adjustment mechanism and the supply measure projects developed cooperatively between Basin States and the Commonwealth are essential for the Basin Plan to have a chance of a long term future.

NSW considers that it is important that all jurisdictions work cooperatively and collaboratively together in the delivery of these projects in order to ensure that states can implement the program with certainty, and that all states are focused on ensuring that the best outcome can be delivered.

NSW supports measures that would provide for sufficient funding and flexibility to enable projects to be successfully delivered with time to adequately and genuinely consult with all stakeholders.

NSW welcomes the recommendation for the MDBA to release modelling demonstrating the benefits of recovering an additional 450 GL of environmental water through efficiency measures.

In particular the need to deliver an initial 62 GL in efficiency measures by June 2019 in order to deliver the full 605 GL of supply measures represents a significant timing challenge. NSW has been actively facilitating efficiency projects coming forward as soon as possible. At the same time, we are also working with the Commonwealth and the other states to develop additional criteria to ensure neutral or beneficial socioeconomic outcomes for consideration by Ministerial Council in December 2018.

Institutional and Governance Arrangements

NSW is working with other Basin Governments to ensure the institutional arrangements and supporting governance model are fit-for-purpose as the Basin Plan moves into a new phase with the delivery of supply and efficiency measure projects.

The draft report includes various recommendations in relation to governance. The NSW Government supports a clear delineation between the service-delivery function and the regulatory function of the MDBA. There are governance structures already in place – for example the MDBA's Office of Compliance. There is scope to further bolster the separation between the functions within the current structure and to communicate these arrangements more clearly, in order to strengthen public confidence in the MDBA's role.

Any significant change in institutional arrangements at this point runs the risk of impacting on the ability of the Commonwealth, MDBA and Basin States to effectively deliver on its work program.