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SUBMISSION TO THE MURRAY DARLING BASIN AUTHORITY

SUSTAINABLE DIVERSION LIMITS ISSUES PAPER

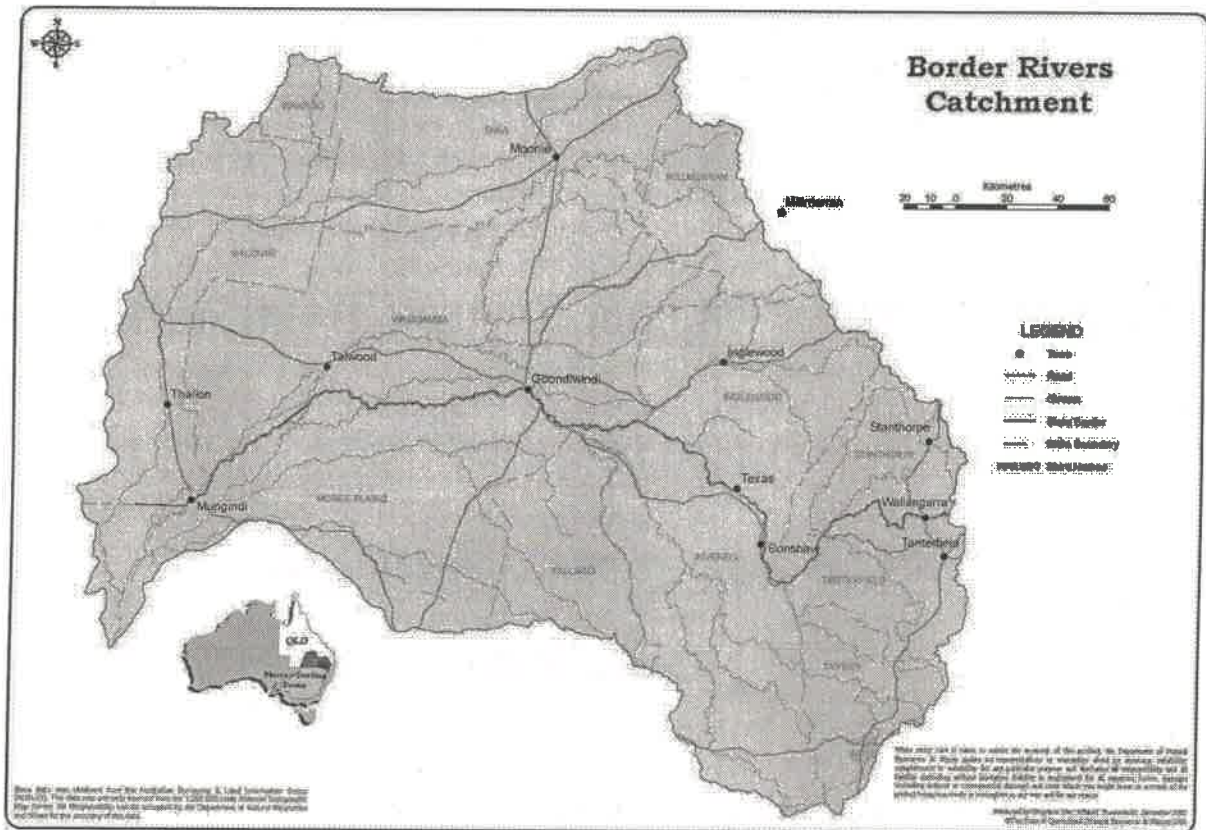
SUBMISSION DUE 5PM, FRIDAY DECEMBER 18TH 2009

TIM NAPIER
EXECUTIVE OFFICER

AFFILIATES: BOOMI-GNOURA GNOURA WATER USERS ASSOCIATION; DUMARESQ VALLEY IRRIGATORS ASSOCIATION; EASTERN RECHARGE GROUNDWATER USERS ASSOCIATION; LOWER WEIR RIVER WATER USERS ASSOCIATION; MACINTYRE BROOK IRRIGATORS ASSOCIATION; MACINTYRE RIVER BASIN WATER USERS ASSOCIATION; MACINTYRE VALLEY COTTON GROWERS ASSOCIATION; MOLE & SOVEREIGN WATER USERS ASSOCIATION; MUNGINDI WATER USERS & COTTON GROWERS ASSOCIATION; PINDARI WATER USERS ASSOCIATION; UPPER WEIR RIVER & TRIBUTARIES WATER USERS ASSOCIATION

INTRODUCTION

Border Rivers Food and Fibre represents the water users and entitlement-holders of the Border Rivers region of southern Queensland and northern New South Wales. These water-users responsibly utilise the water resources of the Macintyre Brook, the Dumaresq, Macintyre, Severn, Weir and Barwon River systems and the Eastern Recharge Zone of the Great Artesian Basin. Production from irrigated agriculture includes vegetables, herbs, stone-fruit, hay, cereals and cotton. Its contribution to the local economy exceeds \$500 million in average years.



This document represents the views of the members of BRFF, though individuals are entitled to their own views relating to their own circumstances.

BRFF is also a member of the NSW Irrigators Council and National Irrigators Council and whilst endorsing their views, we maintain the right to hold different views.

BRFF supports the submissions of the Goondiwindi Regional Council and generally supports the submissions of the Border Rivers/Gwydir CMA and the Queensland Murray Darling Committee.

GENERAL COMMENTS

BRFF feels strongly that the intent of the Basin Plan, of which the Sustainable Diversion Limits are a key component, must be to strive for long-term sustainability of not only the environment, but also the social and economic elements present in the agricultural industries and their reliant communities across the basin. We hold grave fears that if the Basin Plan is written with a skewed environmental focus, that the result must be a balance shifted to an extremity which severely limits the economic viability of many agricultural industries with potentially catastrophic outcomes for regional communities.

The importance of the environment is not questioned, but we maintain that for a sustainable result to be attained ultimately, that economic and social factors must be given equal consideration in the formation of the Basin Plan. Indeed, the Objects of the Water Act (2007) described in Section 3 (c) purport to “promote the use and management of the Basin water resources in a way that optimises economic, social and environmental outcomes.” To design a Basin Plan that is not reflective of the Objects of its parent legislation would be not only inconsistent, but would cause severe economic damage to existing industries and communities.

The ‘requirements of international treaties’ as a justification for designing the Basin Plan is also fundamental problem with the process. While governments commit to various agreements between countries for many and varied reasons, it is apparent in the case of Ramsar and others that the Basin Plan was not what was contemplated at the time of the commitment being made. Nor can these international treaties be accepted as justification for ultimately impoverishing already stressed regional communities in Australia.

The stated aim of the Basin Plan, as evidenced in the Water Act 2007, notwithstanding its Objects already mentioned above, is to create a set of circumstances where the environment can be made sustainable. We submit that the aims are not to return the environment to its pre-European settlement state, but must be to recognise the modern world in which we live and that only small areas of the Basin can be realistically and practically maintained as key environmental assets. There are expectations in the public arena that the Basin will be conserved as a National Park-like environment, which we think are completely unrealistic. There is undoubtedly an environmental cost to be paid for human domestication and stakeholders strive, to the extent they can financially afford, to minimise that cost. They cannot and should not be expected to be penalised for doing a job society has expected and paid them to do.

The time-frame set out for the completion of the Basin Plan (Draft mid '10, Final mid '11) is extremely tight and we submit that it is inadequate. Given the complexity of the Basin and the acknowledged areas of information deficiency that have been determined so far (eg. Surface –

groundwater connectivity), time must be allowed for further scientific investigation to be carried out if the Plan is to have any more than symbolic status. The risks to already stressed regional communities are too great to allow the use of 'best available science' which may prove deficient in a Basin Plan context. We have already seen the results of 'desktop' analysis and the use of 'best available science' in the CSIRO Sustainable Yield Study, which has subsequently been found wanting when 'ground-truthed' and its value has been greatly diminished as result of these glaring inaccuracies and unrealistic assumptions, many of which were openly acknowledged by the CSIRO after its release. It would be a tragedy if the Basin Plan was to end up the same way and that the same lessons had to be re-learned, given that the Plan will use the CSIRO SYS as an important plank of its scientific basis for setting the SDL's. We submit that where it is found that information is insufficient, out of date, incomplete, not 'fit for purpose' or of an inadequate standard, then inclusion in the Basin Plan must not proceed until the situation has been rectified. This may lead to WRP areas that are not included in the initial Basin Plan, but would continue with existing 'transitional Plans' until the required work has been done to the required standard.

While most areas of the Basin are covered by their individual state WRP's we submit that great care should be taken when considering the performance of these plans to date, given the protracted drought conditions that have led to minimal water availability. In the Border Rivers, for example, the water reform process has been ongoing since 1994, a period of 15 years, with a steady and unrelenting reduction of water available for production. It is very easy for the uninitiated to assume that poor environmental performance is the result of poor planning on behalf of the states, where the real culprit is the lack of water caused by drought. Many of the Plans basin-wide and certainly both plans in the Border Rivers (NSW and QLD) have only recently come into force and their entire history of operation has been in the severe drought context. In assessing the State plans, it must also be recognised that large cutbacks have already been suffered by entitlement holders in this process. In the Border Rivers there are many examples of people who have lost quantities of water up to 40% and 50% of what they have used historically, as a direct result of changes to water Plans. These cutbacks have been made increasingly hard to bear by the ongoing severe drought conditions and low water availability. An additional planned reduction of water would stress many businesses to the point of being unviable

We accept the use of SDL's as a figure limiting the maximum amount of water that may be extracted in any year, in a similar manner to the existing CAP. What we will not accept is the erosion of reliability of individual entitlements as a result of SDL's being modified downwards over time. We submit that the Commonwealth has two 'adjustment mechanisms' in the 'Restoring the Balance' buyback program and the 'Sustainable Water Use and Infrastructure Program. Should further reduction of SDL figures be required in the future the two Commonwealth programs should be used to achieve the required reduction by buying entitlements from willing sellers and improving the efficiency of remaining irrigation enterprises. SDL's or any other mechanism in the

Basin Plan should not be used as a means of reducing individual's water entitlements either directly or by stealth.

BRFF continues to have concerns about the low level of scientific knowledge about many of the important aspects of the Basin Plan, particularly those contained in the CSIRO Sustainable Yield Study. The wide variations in modelled results for elements of the SY study such as climate change predictions, water availability and rainfall runoff estimates, cast a large air of uncertainty over the whole Basin Plan process. BRFF believes that to attempt to establish 'hard' SDL figures using these wildly variable models must create very low levels of confidence in the numbers. It would seem more appropriate to attach similar levels of variability (+ and – 30% in the Border Rivers) to the SDL figures and the way in which they are enforced, if such information is considered to be the 'best available science'.

The lack of a List of Key Environmental Assets is also adding to uncertainty around the Basin Plan process. It appears that the Authority is creating a plan to cater for the needs of a list of assets that doesn't yet exist. A Plan which will undoubtedly have major negative impacts on many regional communities, that will in some cases render communities unviable and will severely undermine the future of many others. It makes it extremely difficult to respond to the Discussion Paper when such crucial elements of the process are not yet in existence, or at least, not available to stakeholders you are requesting a response from.

Rightly or wrongly, there is an expectation from stakeholders and regional communities that the Plan will be done transparently and thoroughly, using the best information and aiming to achieve a better outcome in the long term for the environment, the economy and the community. The MDBA has a considerable way to go before they 'capture the hearts and minds' of the people living and working in the Basin and can deliver a Plan in which they can have confidence to invest in their own and their communities future.

ISSUES

4.1 What are your views on the proposed approach to determining WRP areas as set out in this paper?

BRFF broadly agrees that Water Resource Plan (WRP) Areas, as already used by the states, also be used to define the areas of the Basin Plan and SDL's therein.

Because surface WRP areas frequently overlap geographically groundwater management areas, we submit that there should be a separate SDL ascribed to each separate resource, even if there is some connectivity between the two. Where it is deemed appropriate, such as in a discreet scheme within a WRP area, BRFF considers it appropriate for separate SDL's to be apportioned to sub-catchments as well. This should be consistent with the existing state WRP areas for both.

4.2 What are your views on the proposed approach to 'take' limited by SDLs, as set out in this paper?

BRFF submits that all legal extraction of water resources that can be reasonably metered and managed be defined as 'Take' for the purposes of the Basin Plan.

Inclusion of any illegal forms of take infers an approval of this happening at all and BRFF strongly opposes any illegal activity at all. Such practices must be stamped-out as a matter of urgency, as this form of take reduces the pool of water available to legal environmental and productive users.

4.2.1 What are your views on the proposed approach to treating **interception** activities as set out in the paper?

BRFF submits that all forms of interception must ultimately be licensed and therefore included in the SDL calculations. Overland Flow (QLD) and Floodplain Harvesting (NSW) being forms of 'take' that are, as-yet unlicensed and unmetered to a greater or lesser extent in both NSW and QLD jurisdictions. They are considered to be in the "Authorised Interception" category, but once licensed, would become "Licensed Interception".

BRFF submits that both should be included in SDL with an 'estimated volume', as is currently the case with the State Caps, subject to appropriate refinement when licensing and metering is achieved. Inclusion must not be used as a de-facto means of reducing existing levels of access.

Determining whether to include or not include must be recognised as a 'change of policy' under NWI Risk Assignment.

4.2.2 Which **interception** activities are significant enough to be explicitly identified in the SDL provisions?

All existing licensed or authorised forms of take should be included in the SDL.

A realistic minimum size of interception should be arrived at for a cut-off to avoid having to license every stock and domestic structure and gully dam. A starting point may be 5ML/year, above which, every structure should be licensed and its diversion accounted for in SDL.

4.3 What are your views on the proposed approach to optimising economic, social and environmental outcomes through SDLs as set out in this paper?

As mentioned earlier in the submission, the Objects of the Water Act require that the Plan “promote the use and management of the Basin water resources in a way that optimises economic, social and environmental outcomes.” We fully concur with the Objects and submit that the current approach to the Basin Plan is that it be written for the benefit of the environment alone, with only passing reference to socio-economic information, is clearly in conflict with the Objects of the Act.

We submit that the only way of achieving a state of sustainability for all three elements of a modern society, ie. 1. Environmental, 2. Economic and 3. Social, is to consider them in equal priority. To favour one element over the other must result in a change in balance to just another extreme, rather than to achieve an equilibrium, as we believe is described in the Objects of the Act. This is the only way to achieve the desired environmental outcomes while preserving some equity for those occupying the social and economic space (the people!) required to change as a result of these reforms imposed by government.

When SDL’s are determined they should take into account the level of change that is required to be made and invoke a transition period commensurate with the size of the change required. That is, a WRP area required to make a 30% cut should have a longer transition period in which to adjust than an area required to make a 5% cut as a result of new SDL’s. The longer time will allow for a more gradual transition rather than a ‘cliff-face’ drop. It will also provide further opportunity for water-users to take advantage of Government infrastructure investment and buyback programs to achieve the mandated cuts, which will be preferable to ‘across the board’ cuts as a result of the SDL. This would also be administratively simpler and more efficient having only to process small number of contracts as opposed to a risk assignment settlement for every entitlement holder in the WRP area.

We submit that any economic analysis on a scale broader than the WRP area is insufficient to adequately determine potential impacts of reductions as a result of SDL’s.

Where it is considered that there is insufficient socio-economic information for it to be used constructively in forming the Basin Plan, we submit that the plan should be delayed until such time as suitable studies are conducted and information gleaned to achieve confidence in social and economic sustainability.

4.3.1 What is the best way to **maximise input from particular communities** of interest in the time available?

To get the required input from the social and economic elements you must establish close relationships with those who represent them at the local scale and that means local government and industry. These groups must be given the opportunity to establish hard economic data on their WRP areas where it doesn't already exist, and to update it where it does exist.

4.4 What are your views on the proposed approach for dealing with **surface water – groundwater connectivity** as set out in this paper?

We concur with the concepts outlined in the Paper, that surface and groundwater resources be managed separately, in a manner consistent with current practise where separate WRP's are used for each resource. Separate SDL's should be ascribed to the individual WRP areas, as already stated in this submission. Where connectivity is known, the two WRP's and SDL's should be still managed separately, but with reference to one another in both the Plans and the SDL's.

4.5 What are your views on the proposed approach to **setting and expressing SDLs** as set out in this paper?

Broadly, any of the methodologies listed in the Discussion Paper would achieve a result of some description, but without analysing the pros and cons of each method through detailed modelling, and applying that to individual WRP's it is difficult to have a discreet preference.

Generally speaking, a fixed volume may be suitable for highly regulated southern systems, but would be of no use and not applicable to the highly variable northern systems. BRFF submits a general preference for expressing SDL's as a long-term rolling average that allows the extent of extraction to be averaged over an extended period, whilst still achieving the stated environmental aims. The result must reflect the individual WRP's variability of water availability and the rolling average period should broadly match the local climate cycle in that WRP area. (eg. 5 or 7 years).

It will be imperative at this point that existing state water plans are considered in detail and the existing environmental allocations in those plans be reconciled with any proposed further environmental requirements. Given the short length of time that these state plans have been in effect, they may already be more than adequately providing for the environmental needs in the individual WRP area. These considerations will be crucial in determining credible SDL.

BRFF believes that the stakeholders, in conjunction with MDBA and state departments, in the individual WRP areas must have a hand in deciding which method is ultimately used for their individual WRP area. This will require comparing the different methods being considered modelled results across the WRP area.