

Response to Independent Assessment of Social and Economic Conditions in the Murray-Darling Basin

Thank you for the opportunity to comment on the draft final Report from this Assessment.

General Comments

The foreword to the Assessment Report makes some very strong and very important points, particularly the need for a long-term vision for management of Basin water resources and dependent communities.

It makes the important point that the causes of community condition are complex and conditions are changing over time, and that there is a risk that mis-attribution of the source of problems could result in a misguided response. However, these factors are not well-separated in the Report itself and the tone of the text very often attributes negative impacts to the Basin Plan without qualification. The influence of other equally important factors such as drought, regional brain drain, technological changes in regional industries and limited career opportunities for younger people in regional centres must be taken into account.

Your study of social and economic factors found that several factors are implicated in negative changes in Basin communities, including remoteness, population size, economic diversity and high dependence on agriculture of any type (dryland or irrigation). However, because there are so many confounding factors, the consultants recommended further more specific analysis of differences in wellbeing of communities that have experienced decline in volumes of irrigation water used for agriculture *versus* those that have experienced less decline (Schirmer & Mylek 2020).

Effects of Water Trading

A major flaw in the Report is its failure to separate the impacts of water trading from the effects of the Basin Plan. The water market is a separate instrument which operates with willing buyers and sellers, based on the assumption that water will be traded to its highest value. The result has been a major shift to cotton and nuts, resulting in an over-exposure to almonds and too many hectares of permanent plantings requiring more water in dry years than capacity to deliver (Wittwer 2020). The Report missed a major opportunity to make recommendations to limit water trading, particularly to avoid transfer of licences from a valley with reliable flow to a valley with highly variable flow, and to limit the extent of permanent plantings in relation to system delivery capacity in low flow years.

Recommendation to Slow Water Recovery

While key points made in the Report are important and are strongly supported, there are serious omissions around the benefits of water recovery and the need to maintain rivers in sufficient health to continue to support the heavy extractive load. The recommendation to slow water recovery is strongly opposed, as this will just extend the delays and reductions which have been occurring since the Plan came into effect. Only half of the minimum volume required to halt river decline has been recovered. River ecosystems are continuing to decline under present conditions, now exacerbated by drought.

If the rivers of the Basin continue to decline, as they will do without further water recovery, this will undermine the base on which community economies are built. Recreation, tourism and amenity will go first, but then water quality will decline without sufficient flows, leading to algal blooms, fish kills and accumulation of nutrients, litter and salt on floodplains. When the river finally floods, the first flush will be too toxic to use and will need to be flushed right out of the system into the ocean.

Water recovery is needed to minimise these negative impacts and to support Basin communities in the long term. Water recovery benefits all communities, and should not be slowed any more than it already has been. What is needed urgently is much more economic and social support for communities adjusting to a future with less water. As outlined in your supporting research, the best way to do this is through buybacks accompanied by increased social support services (Wittwer, 2020). There is strong evidence that buy-backs accompanied by investment in social support are the most effective means of water recovery with best outcomes for local communities (Bjornlund *et al.* Murray-Darling Declaration 2018).

Need to Support Basin Plan

The Report has missed another major opportunity, that of affirming the need for continued water recovery, and of articulating the social and economic benefits from water recovery. The under-lying assumptions and tone in the Report should include water recovery as a solution with benefits for all sectors, not as an enemy to be resisted.

The Basin Plan is a necessary and sound instrument, but there have been major failings in the implementation process which are undermining its effectiveness. As rightly pointed out in the Report, the benefits and impacts are unevenly distributed and there has not been sufficient funding and social support to assist communities to adjust to the changes. The recommendation for escalating social and economic support for communities to assist with adjustment is strongly supported. As noted in your supporting research, increases in public funding of human services within Basin regions will create many regional jobs (Wittwer 2020).

The Report has failed to acknowledge the report by Ernst & Young to the Ministerial Council in 2018, indicating that the 450 GL volume could be recovered from Basin communities with neutral or positive socio-economic impacts through a partnership approach in a multi-faceted program supported by monitoring and evaluation.

Transparency and Engagement

The foreword to the Assessment Report sets the right tone and context, particularly highlighting the need for community engagement and transparent transactions by managers, policy-makers, agencies and politicians.

However, this transparency and engagement should be extended to include the fundamental message to all communities that water resources are finite and more water still needs to be recovered. The fundamental problem of historic over-allocation of water has not yet been addressed effectively, in spite of being discussed since 1994 under the National Water Initiative. More water has been allocated than can be supplied, and that is never more apparent than in drought conditions, as now. Going forward, communities and industries need to find ways to survive with less water, rather than seeking other sources of water, which would have to be taken from other Basin-dependent communities.

Basin in Decline

The Assessment needs to take account of the fact that Basin Plan did not start from a level playing field. It was signed into effect in November 2012, just two years after the Millennium Drought broke. The Plan started from a baseline of seriously degraded environmental conditions for rivers and economic hardship for Basin communities and farmers. It should also be noted that three-quarters of all water buybacks were already in place from 2004, in response to the drought, before the Basin Plan was signed. Only 530 GL has been bought back since the Plan was signed, out of a total of 2017 GL of environmental water.

The Basin is again in drought, but the intended benefits of the Basin Plan, including greater resilience in drought, are not yet in place because of state governments failing to meet key deadlines in water planning, which should clarify water sharing rules, and constraints projects, which should improve flow capacity and ability to deliver environmental water effectively. There have been serious delays on the major infrastructure projects which have promised to deliver environmental benefits to justify the 605 GL reduction in water recovery. The combined effect of these delays means that intended benefits from water recovery are yet to be seen. In addition, there will be lag times as ecosystems recover and respond to any additional water (Marsden & Jacob 2020).

Unrealistic Community Expectations

This Report has also missed an opportunity to promote more realistic community expectations. Communities and industry groups need to accept the limitations required to manage water resources in a fair and sustainable way. Instead, there is an unrealistic expectation among NSW and Victorian irrigator groups in particular that they can get additional water from elsewhere in the Basin. Many hold the view that environmental water should be given to irrigators, and this Report needs to counter this view by affirming the benefits of water recovery for all Basin communities and the need to recover water to stop river decline.

Transparency also needs to include political honesty, instead of recent mischievous statements by NSW Ministers suggesting South Australia is taking all the water and wasting it, when the real cause of zero allocations in that state is their own agency allocation systems and licensing rules. Transparency is needed around why general security licence holders received no allocation for the last two years, and the history of over-allocation in NSW going back to the 1970s and 1980s. General security licence holders need to understand and accept that water will go first to holders of high security licences, wherever they are in the Basin, and there will be reduced or no water for general security licences in times of limited supply.

Constraints Projects

The discussion around constraints is limited to the 'Choke' and how to get water past this point. However, there are many other key projects around the Basin which also need urgent attention and acceleration. Many of the constraints relate to operating policies at structures or agreements with landholders to allow environmental flows across floodplains to reach target wetlands. One example is the need to allow flows to inundate the Wentworth Caravan Park on low-lying floodplain in order to allow flows from the Darling River to reach targets downstream, such as flows intended to alleviate black-water conditions and save native fish (these were blocked in 2016 to protect the Caravan Park). All constraints projects should be accelerated with urgency, so that recovered water can be used effectively.

Specific Comments

1. How does the draft report match your community's experience and situation?

The Report fails to acknowledge the fundamental fact that, without a relatively healthy Basin, Basin communities cannot continue to exist. Actions to sustain the health of Basin rivers are necessary to support Basin communities and their livelihoods. There are no jobs on polluted rivers with little or no flow.

The draft Report is disappointing because it fails to present a balanced view of progress with the Basin Plan and water reforms, and it takes a negative view of impacts attributed to the Basin Plan, leading to the recommendation to slow critical reforms relating to water recovery. The volume being recovered is already seriously compromised and sits at around 50% of the minimum volume needed just to halt continuing decline in Basin rivers, yet the Report recommends further slowing this process.

It would be more effective to recommend water buybacks as the most effective method to recover water, accompanied by accelerated and increased social and economic support to facilitate community adjustment and change (Wittwer 2020).

The Report has missed a major opportunity for developing a new blueprint for sustainable and resilient Basin communities going forward into a drier future, with recommendations for the social, technical and economic support required to facilitate the transition to new ways of doing business.

The Report is difficult to follow, especially from Recommendation 11 to the end of the recommendations, in trying to match text with each recommendation. There are no separate recommendations relating to environmental health and ecosystem services, other than those tied to engagement with First Nations. This is a major omission (see below).

2. Are there any significant gaps? What are we missing?

The presumption of the Review throughout should have been that there have been both positive and negative influences from the water reforms under the Basin Plan. However, the report fails to make any clear division between the multiple factors contributing to negative changes in Basin communities and too often appears to blame the Basin Plan for all negative effects. This view reflects in particular into the recommendation to slow water recovery. A particular flaw is the failure to separate the effects of water trading from effects attributable to the Plan.

The most significant gap in the report is the failure to identify the positive impacts from water reforms and environmental watering. These benefits apply to all communities and should have been included in social and economic benefits. The reverse is also true, that the costs of not recovering sufficient water have not been included.

All references to ecosystem services and environmental values have been linked into the recommendations relating to First Nations, which is a separate issue relating to cultural flows rather than environmental flows. This is a major gap, failing to acknowledge the importance of keeping river ecosystems healthy enough to provide the ecosystem services on which communities rely. Flows to sustain river health relate to all Basin communities and deserve much greater prominence and coverage in the report, with separate recommendations around sustaining river health so that rivers can continue to provide essential water resources.

TOR C states that the review will support longer term efforts in monitoring social and economic conditions in the Basin, and this information will be used to help evaluate the outcomes of water reforms, but there are no recommendations relating to future monitoring.

3. To what extent do you agree with the Panel's key findings?

The most important finding is the need for additional economic and social support to assist communities to adapt to the changes. The need to provide significant and ongoing support is fully supported – this was a major omission in the early stages of implementation of the Basin Plan. A major reason for push-back against water reforms recovery was the lack of coordinated social support for the adjustment process in communities. The process of promoting sustainable regional communities needs to include identification of the necessary adjustment support packages required to assist transition to sustainable livelihoods and businesses under future scenarios with lower water availability.

It is a serious concern that the findings in the report entrench the view that the Basin Plan and particularly water recovery are burdens on communities to be resisted and slowed. The report has missed a major opportunity to present the view that the Basin Plan is part of necessary reforms to ensure that water is shared fairly, transparently and sustainably, and that these reforms need to be supported and speeded up, not slowed down.

If the Basin Plan can be implemented effectively and as intended, without all the compromises and delays being negotiated by state governments, the end product should be a future where communities can survive droughts without catastrophic impacts on their economies. However, irrigation communities are still looking for more water, rather than finding ways to adjust to less water. The practices adopted during the Millennium Drought, when similar product value was achieved on 30% of the water, should become standard practice.

4. To what extent do you agree with the Panel's recommendations?

As outlined above, the recommendations to accelerate investment and support for Basin communities to adjust to a future with less water are strongly supported.

Recommendations for more effective engagement with First Nations groups are also strongly supported.

The recommendation to slow water recovery is strongly opposed, for the reasons outlined above. Continued water recovery is fundamental to supporting Basin communities and their livelihoods, not an optional extra.

The Panel should develop a long-term vision for management of Basin water resources and dependent communities in a future with less water, to help to create realistic community expectations and to underpin fair sharing arrangements for the limited water available.

5. If implemented, do you think our recommendations would make a difference or have a benefit to you and/or your community?

If implemented as they stand, the draft recommendations would have a negative effect on my ecological community and my state community, in slowing essential water recovery which includes measures to keep minimum flows reaching the end of the system.

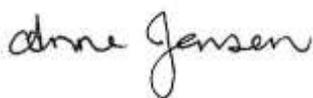
If the recommendations are amended as suggested, the Panel's Report could become a major milestone in the journey towards a sustainable Basin and supporting communities in their transition and adaptation to a drier future.

My viewpoint is that of a wetland ecologist with long experience in both policy and on-ground management of the wetlands and rivers of the Murray-Darling Basin. I am currently advising Nature Foundation SA on environmental watering projects. I became more closely involved in the Basin Plan implementation process from 2016 as a Healthy Rivers Ambassador and then a River Fellow in 2017. Our volunteer group includes representatives of communities throughout the Basin.

The Healthy Rivers Ambassadors want to see an effective Basin Plan with all its complementary elements delivered as intended, to provide a sound framework for water sharing and sustainable management of river ecosystems, so that all Basin communities can survive and thrive into the future. However, we are very concerned that the implementation of the Murray-Darling Basin Plan, along with its supporting elements, has not included sufficient support for Basin communities to transition to a future with reduced water availability. Key elements of the Plan are being undermined, compromised or delayed, so the intended benefits of the Plan are not being realised as quickly as intended.

Please advise if any clarification is required or further details are required on sources of information for these comments.

Yours sincerely,



Dr Anne E Jensen
Healthy Rivers Ambassador for MDB and River Fellow 2017

