

Dr John Keniry, AM,
Commissioner,
NSW Natural Resource Commission,
Level 6, 52 Martin Place,
Sydney NSW 2000

Submission by electronic mail - nrc@nrc.nsw.gov.au

14-8-2019

Dear Commissioner,

Re: Draft Review of the Barwon-Darling Water Sharing Plan

Cotton Australia welcomes the opportunity to respond to the Natural Resource Commission's Draft Review of the Water Sharing Plan **Barwon-Darling Unregulated & Alluvial Water Sources 2012**.

Cotton Australia is the peak body representing Australia's 1400 cotton growers, many of whom operate within the Murray-Darling Basin.

Cotton Australia is an active member of the National Farmers Federation and its Water Taskforce (NFF), the National Irrigators Council (NIC), and New South Wales Irrigators Council (NSWIC).

In addition it has a strong working relationship with valley based irrigator groups such as Barwon-Darling Water, Macquarie River Food and Fibre (MRFF), Namoi Water, Gwydir Valley Irrigators Association (GVIA) and Border Rivers Food and Fibre (BRFF).

Cotton Australia is aware that a number of the above organisations will be submitting on this draft (either collectively or individually) and Cotton Australia generally endorses their positions.

However, should a view expressed in this submission vary to a view expressed in a submission of one of the above organisations, then for the avoidance of doubt the position of Cotton Australia is the one communicated in this submission.

General Comments

Cotton Australia is disappointed that this Review is being conducted during the worst drought on record across the Murray-Darling Basin - <http://www.bom.gov.au/climate/drought/>. With record low inflows, it is unsurprising that many people view the Barwon-Darling River to be in crisis. There is no doubt that ecological systems are stressed, and many communities are struggling to meet critical human needs.

However, Cotton Australia is very disappointed that the Natural Resource Commission (NRC) has joined the chorus of people blaming this situation largely on water extractions.

The Barwon-Darling River is an unregulated river that is it is not serviced by any large headwater storages. In effect the river flows, when there are inflows, and ceases when the inflows cease.

We are in a situation that there have been no effective inflows for close to two years, so the full length of the river has ceased to flow and in some sections dried up. It also should be very publicly recognised that the last time irrigators extracted anything out of the Barwon-Darling River system was in December 2017.

It also should be very publicly recognised that the only real flows in the system above Bourke over the past 15 months, have been artificially released Connectivity Flows out of headwater storages on the Gwydir and Border River storages, and a small natural flow that occurred immediately prior to the first Connectivity Release.

It is never good practice to make long lasting decisions while dealing with a crisis, and it appears to Cotton Australia that this report seeks to do just that.

This is even more so in this case - there is nothing that can practically be done, until inflows return. The NRC can recommend all the rule changes it likes, and the government can implement them, but not one change will have a material impact on the river until there are flows.

There is an opportunity here to fully assess the recommendations proposed, consult widely with communities, provide sound evidence of impact and benefit, and proceed from there.

Cotton Australia is extremely disappointed that while the Draft Review makes many recommendations there is little to no assessment of what differences those recommendations if implemented would make in a quantifiable sense.

Having said the above there is much in this report that irrigators and Cotton Australia can and do support in this Draft Review, but as the report does recognise many of the things we support are already in train, and have not been given any opportunity to demonstrate their effectiveness and positive contribution to river health.

We are fully supportive of effective and cost effective water metering, management and compliance, and have worked closely with the NSW Government to deliver on these aims, while recognising some of the market impediments to meeting what are increasingly being recognised as over ambitious timelines.

We are fully supportive of protecting environmental water that has been acquired by environmental water holders and is flowing in the system. This protection should ensure that water remains in the system to meet the environmental aims, but at the same time the protection must be done in a way that ensures irrigators and other extractors are able to access the water they are entitled to.

The current use of S324 Embargos is a very blunt instrument, which work effectively when there are no other flows in the system, but are an entirely inappropriate mechanism for the long-term active management of flows, especially when irrigators have a legal right to extract a share.

Further, this report seems to equate protecting environmental flows, with reducing irrigator access through such mechanisms as adjusting cease to flow thresholds etc. This does nothing to protect the environment's share of adaptive environmental water.

Cotton Australia and irrigators do not oppose the introduction of appropriate Individual Daily Extraction Limits, and are supportive of active management arrangements, but these need to be fully consulted on, to ensure they are not impacting on the irrigators legal rights.

We are open to the Commonwealth (and others) buying back "A" Classes licences from willing sellers, and also note that there is a significant parcel of other Barwon-Darling water on the open market that could be purchased.

However, we caution that potential buyers should ensure for themselves that the purchase of these licences will have a material difference on river health during drought/low flow periods, and the economic impact of purchasing them and removing the water from irrigation will be worth the environmental benefit.

Specific Criticisms

This report appears biased from the outset.

Hydrological Drought Claim

A key claim in this report is that “Expert opinion suggests extractions pushed the river below Bourke into hydrological drought three years earlier than the upstream sections of the river” (P4). It cites as the reference to this claim a mystical *paper* “*Sheldon (2019). Technical review of the water sharing plan for the Barwon-Darling unregulated and alluvial water sources in 2012*”, which the NRC has since admitted is not available publicly. Surely the purpose of having a reference is to allow its veracity to be checked.

While without access to this mystical report, it is impossible to definitely check the claim, it does defy commonsense.

Let’s assume that the report is extremely up-to-date and covers the period up to June 30, 2019. Wind back three years and it takes you to June 30, 2016. Yet in 2016-17, when according to this Review the lower part of the river below Bourke was in hydrological drought, 2494.8G^l passed through Bourke, and flowed downstream, with Menindee receiving inflows of 2030G^lⁱⁱ during that period. Hardly a hydrological drought!

Changes made between Consultation Draft and Final

Much has been made over the years about changes between the draft plan that went out on consultation and the final plan that was gazetted. Some of those claims, not necessarily made in this Review are clearly erroneous such as removal of pump size restrictions for pumping of “A Class” licences, or change to pumping thresholds.

There is, including in this Review, an implication that there must be something wrong or unusual about such changes. Cotton Australia calls on the NRC to do a quick review of all the changes made in all Water Sharing Plans between draft and final, and Cotton Australia is certain that you will find nothing unusual at all.

Cotton Australia can attest that the majority of first generation water sharing plans that were finalised in the mid-2000 changed dramatically from what was recommended and consulted on by advisory committees, and what was finally implemented by government.

The Appendix C list approximately 13 changes and supposedly rates them as resulting in minimal, moderate or substantive change, yet there appears to be absolutely no modelling on the impact on Long-Term Average Extraction limit, or any quantitative information on how the changes may affect the timing of take, and therefore impact on flows.

Cotton Australia calls on the NRC to undertake, or have undertaken, the modelling work to quantifiably gauge the impact of these changes.

Performance of the Plan

While it is reasonable to judge the success or failure of a plan by using numerous measures, it appears one key measure, performance against the Long-Term Average Annual Extraction limit has been completely ignored by the NRC.

Surely it would be reasonable to for the NRC to have compared the performance of the Plan against this key limit. The NSW Government should have, or has the capability to model the allowed take under the plan in any given year and compare it against actual take.

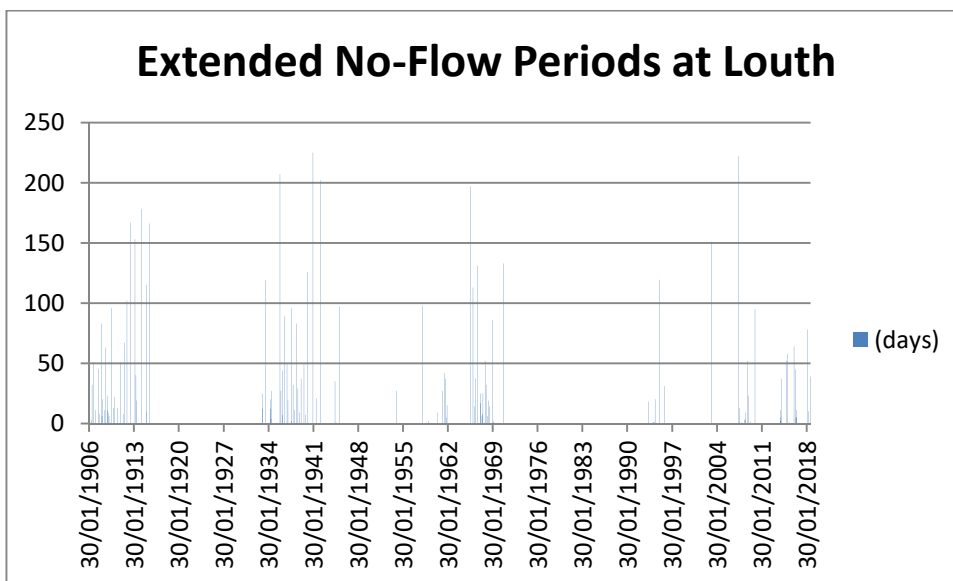
While Cotton Australia does not have access to the model, it does know that average take over the six years commencing 2012/13 has average approximately 111GI, well under the allowed average of 189GI.

This once again demonstrates that so much of what we are seeing in the Barwon-Darling at present is not from over extraction, but from the crippling impact of the drought.

Increased Cease to Flow Events

Cotton Australia does not deny that the first portion of this century has seen a relatively high frequency of “Cease to Flow Events” on the Barwon-Darling; however, it does contend that our perception of this is skewed by the fact that the last half of the last century was relatively wet and this influences most people’s memory.

Cotton Australia randomly analysed ceased to flow events at Louth downstream of Bourke, with the results demonstrated in the following graph.



The graph shows the length of No Flow events at Louth since the start of the 20 Century, and demonstrates no trend towards greater frequency. It is noted that the data does not included the current 2019 No Flow event which would have ended at Louth with the influx mid-year of water from the Warrego.

Cotton Australia urges the NRC to review this website - <https://discoveringthedarling.com.au/floods-droughts/> . This site is not part of the current water debate, but provides an objective assessment of the vagaries of the Darling River, and provides some excellent historical information.

How Water Sharing Plans Work and Measured

Cotton Australia is concerned that the NRC lack the professional capacity to understand and assess the effectiveness of water sharing plan, and the impact changes proposed may have on the plans Performance.

For example, on 42 of the report it states:

“The Commission agrees with the conclusion of the Vertessy report, that while the sustainable diversion limit may need adjustment, there is currently insufficient data to justify a change.”

It is important to understand the Sustainable Diversion Limit (SDL) is in all practicality the current LTAEL (189GI) minus the required level of buyback (34GI) equaling 165GI.

So we have the Commission, saying at this point it does not believe there is data to justify a change, but it then goes on to recommend a whole suite of rule changes which will impact on the Plan’s LTAEL, which would then in-fact drive down the SDL, as there is no suggestion that the NRC is recommending a return of any water recovered under the Basin Plan.

If the NRC wish to maintain the current SDL and by de-facto the LTAEL, then it would have to propose rule changes which may affect the timing of take (say providing additional protection to low flows), but not the overall take (this could be achieved by increasing access at higher flow levels).

Cotton Australia is not proposing either course of action, but simply highlighting the “cause and effect” of any rule changes on the Plan’s performance.

It highlights once again the need for the NRC to fully model the proposed changes it has recommended in this Review.

Compensation

While Cotton Australia appreciates that as part of its ToR, the NRC was obliged to look at compensation implications, it is very concerned that it has presented advice to government suggesting water sharing plan changes can be made with minimal compensation risks to government.

Cotton Australia has not sought independent legal advice on the compensation implications, but it is sure that the advice provided by the NRC is in no way definitive and alternative views exist.

Be that as it may, it is Cotton Australia’s very firm contention that the precedence set by the Basin Plan in “acquiring entitlement through voluntary market based mechanisms” should be respected, and all loss of either entitlement or reliability by entitlement holders should be fully compensated as a matter of principle.”

Cotton Australia calls on the NSW Government to make that position a very clear principle of water reform.

Conclusion

As stated early on in this submission, Cotton Australia is somewhat conflicted in making this response to this Draft Review. It supports many of the recommendations, either in full or in principle, but is highly disappointed in the tone of the report, the lack of publicly available material referenced in the report, and the generally emotive language used in the report.



Advancing Australian Cotton

Cotton Australia recommends that before further action is taken, the impacts of the proposed recommendations are fully assessed in both quantitative and qualitative terms, and further consultation is carried out with all stakeholders.

In addition the work already being carried out around environmental water protection, enhanced metering and compliance, introduction of IDELs are allowed to be implemented and tested.

Finally, there needs to be very real acknowledgement that the current desperate situation is almost 100 per cent due to the drought. Irrigation extractions ceased in December 2017, it is an unregulated river system, if there had been no extractions in 2016 and 2017, we would still be in the same dreadful position we are today. The river would have ceased flowing at the same time, and the no-flow period would have extended the same length of time.

For further information on this submission please contact Cotton Australia General Manager Michael Murray – michaelm@cotton.org.au or 0427 707 868.

Yours sincerely,

Michael Murray,
General Manager

CC: Minister Pavey

ⁱ D Barma. *"Northern Basin Historic Flow and Usage Report"*, 2018.

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