

The Water Channel

ADF's channel of communication to the farmer

25 May 2012

Basin Plan progress update

The MDBA is due to release its revised draft Basin Plan next week, but the [CEO Rhondda Dickson](#) has already told a Senate hearing this week that the 2750GL target is unlikely to change and that the MDBA stands by its socio-economic impact modelling. The question is what the States do with all that, but we know they are already negotiating, starting with a meeting in Canberra on Sunday 20 May.

Resolving outstanding issues before the formal Ministerial Council meeting on 29 June may be optimistic. While the States share concerns about structural adjustment support, compliance costs, environmental watering plans, and liability if the SDL gap is not closed by 2019, they are poles apart on other fundamentals.

Sticking points include the 2750GL water recovery target; how the 'downstream' targets are shared – and whether Qld and SA should have to contribute at all; and, the proposed new water quality targets which have little relevance for environmental outcomes in the Basin but do benefit Adelaide's water supply.

Under the Water Act, the Federal Water Minister is not obliged to agree to any changes recommended by the States, but in practice, he won't be able to implement the Basin Plan without State cooperation, so he needs them on board with the Plan he takes to Federal Parliament.

A 2100GL scenario

The Victorian Government has released [modeling](#) showing marginal, if any differences, in key environmental indicators such as salinity and flows over the barrages in the lower lakes and Coorong under a 2100GL scenario, compared with 2800GL. The report suggests the 390GL target for the northern Basin would remain, but the southern target would drop from 2289GL down to 1710GL.

The report aligns with the submission by Victoria's three Regional Development Australia committees in the Basin. Its [appendix B](#) suggests outcomes equivalent to, or better than, the draft Basin Plan's proposed 2750GL can achieve with 2100GL in entitlements and 650+GL of 'environmental entitlement equivalents' – ie, improved river operations, environmental works, etc.

Legal risks

The Basin Ministerial Council and even the Federal Water Minister may have limited powers to change anything once they get the revised draft Basin Plan from the MDBA.

While we hear the States are negotiating in good faith that they and the Federal Water Minister can change what the MDBA gives them, the statutory process appears to provide little scope for them to alter fundamentals like, say, the SDLs (see Section 43A of the Act, particularly para (4) and 44 (5)).

These paras suggest neither the States nor the Federal Water Minister can direct the MDBA on any aspect of the Basin Plan deemed to be of a factual or scientific nature.

So we can only hope the MDBA is listening in good faith to what the community and the ministers have to say.

FYI, in the southern Basin, the Commonwealth has so far purchased nearly 1000GL (including the latest round), and around 400GL in savings are contracted in infrastructure programs such as NVIRP in Victoria and Private Irrigation Operators Programs in NSW and SA.

The Federal Budget

The good news was another \$150 million for the On-Farm Irrigation Efficiency Program, bringing the total to \$450 million; the bad news is the new funding is spread thin over six years, and will barely touch the sides for unmet demand.

Around \$400 million could be spent in Victoria alone, to deliver 100GL in on-farm savings for the environment in conjunction with NVIRP Stage 2. Still, it is a step in the right direction, and we urge the Government to take further strides down this path in finalising the Basin Plan.

Another step in the right direction is \$200 million for the new Strategic Sub-System Reconfiguration Program. It will integrate strategic buybacks with irrigation system reconfigurations to save water, but we are yet to see what devils might be in the eligibility criteria details, given the unworkability of its predecessor the Irrigator-led Group Proposals Program.

The water portfolio did not escape cuts to support 'other Government priorities' but got off relatively lightly with \$13.2 million spread over seven years shaved from the Commonwealth Environmental Water Office; and \$61.2 million cut from SEWPaC's funding to deliver Basin Plan reforms but not starting in 2015-16. For more details, go to the [SEWPaC budget website](#).

On-Farm Irrigation Efficiency Program - Round 3 of the current \$300 million [On-Farm Irrigation Efficiency Program](#) has been announced, with \$100 million on the table.

New MDBA advisory committee

MDBA chair Craig Knowles is calling for Australia's 'best and brightest' to join a new Advisory Committee on Social, Economic and Environmental Sciences.

Members should be experienced in hydrological, environmental, social or economic sciences, in order to guide the MDBA's research, analysis and implementation of the Basin Plan.

[Expressions of interest](#) close 4 June 2012. Voices of reason are encouraged to apply.

In keeping with government assurances that getting infrastructure funding out the door quickly is a priority, we trust SEWPaC will do better in round 3 than the 14 months it took from go to whoa for round 2 – after acknowledging 12 months for round 1 was too long to keep farmers waiting ...

The Clayton's buyback tender

SEWPaC expects to buy [117GL](#) in entitlements from its controversial 'targeted' purchasing initiative announced back in February. The \$140m budget has been fully subscribed with 782 bids, but a breakdown by catchment will not be available until the sales are processed.

Buybacks take a breather, at last

Around \$200 million earmarked for buybacks in 2012-13 has also been pushed back, ostensibly due to no further general rounds of tenders being planned this year.

Much of the \$138 million left for 2012-13 will presumably be spent as part of the new Strategic Sub-System Program.

Conversely, budget estimates suggest about \$560 million has been spent on buybacks in 2011-12, nearly \$100 million more than earmarked in the 2011 Budget.

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