
Australian Government – DCCEEW¹

Draft Restoring Our Rivers Framework

RGA Submission – February 2024

Thanks for making the time to seek feedback on your *Draft Restoring Our Rivers Framework*. The RGA acknowledges DCCEEW's continued willingness to discuss ideas and possibilities; however, as the rubber now hits the road, we need this speculation to translate into direct action across 2024 and beyond.

This will require four things in particular:

- i. greater **clarity about what DCCEEW wants** (i.e. what specific volumes, where?);
- ii. certainty that **the full 605 GL of off-sets²** will be set up to succeed, and not fail;
- iii. **all alternatives must be exhausted**, before buy-backs are considered; and
- iv. an implementation approach with the **principle of 'no impact' at the centre**.

As you know, the RGA doesn't support buy-backs as a tool for water recovery; nor do we support any approach that reduces market size, or the volume that underpins allocations to General Security licences across the Riverina.

Beyond this, we also know many opportunities remain that provide what you're looking for in relation to the 450 GL, without further allocation impacts or the need for purchase.

The following submission outlines our high-level interests and concerns as they relate to your draft framework. In providing them, we hope they can act as a guide for how we better consolidate our continued collaboration, and ensure all key timelines are met.

1. Scattered Start Times Will Lead To Perverse Outcomes:

The draft framework offers good source material; however for a task this significant, greater clarity, and a stronger strategic underpinning is required as a matter of urgency. As a sequence of critical policy steps, we need to see the following at a minimum:

- i. Absolute specificity in DCCEEW's 450 GL 'ask'. Communities must know: ***what precise volume do you want to take from my footprint, and by when?***
- ii. As we explore below – this 'ask' **must be backed by evidence that the additional water will have a benefit of the type agreed by all Basin governments in 2012.**
- iii. **Nothing should start until these answers are provided.**

¹ Department of Climate Change, Energy, the Environment and Water.

² Under the Basin Plan's 2,750 GL environmental recovery target, 605 GL can be treated as an 'off-set', where equivalent environmental outcomes are achieved through projects that don't require any water.

- iv. **Once communities are clear about the target facing them, co-design should begin.** All options must be considered, with **proof that all alternatives have been fully exhausted**, before any discussion of potential buy-back commences.
- v. As now required by law, before any **unavoidable** buy-back program begins: *the Minister must consider the social and economic impact of the program on Basin communities.* For us, **this advice must be tied to a specific purchase volume, and describe the impact on specific, locatable regional communities.**
- vi. In the interests of fairness, **we would expect an exposure draft of this advice to be released for public comment**, before the Minister accepts it as final.
- vii. It's not until this point that impacted communities will have reasonably detailed information about Commonwealth purchase intent. **This must be a pre-cursor for negotiations and agreement on appropriate adjustment assistance.**
- viii. **Gateways i. – vii. should be passed before any buy-back program begins.**

2. Constraints Require A Much More Sound Public Policy Approach:

The NSW Riverina has done the heavy lifting when it comes to water recovery. Around 4,200 GL³ has been claimed for the environment – across the southern Basin – over the past 20 years. Upwards of 40% of this volume can be tied back to the Riverina.

For our industry in particular, these types of statistics are incredibly frustrating. We don't know what that recovered water has specifically achieved⁴, or whether it's being administered efficiently – something that should be expected of all users in a system.

To illustrate, recent modelling undertaken to inform constraints lifting in Victoria indicates: *relaxing constraints will result in no change in the frequency of environmentally desirable higher flow rates ... at the South Australian border under all ... scenarios tested.*⁵ This is highly problematic because it brings into question the environmental driver for the huge amount of disruption expected in order to lift constraints.

These recent findings also undermine the imperative for almost the entirety of the *Draft Restoring Our Rivers Framework*. This is especially true given broad expert opinion already tells us that environmental water recovery beyond about 2,800 GL offers 'no significant improvement' because: *river operating constraints limited the ability to deliver sufficiently high flows ... regardless of the Sustainable Diversion Limit (SDL).*⁶

We need to know more about both issues so we can make more informed decisions about how to proceed. Unfettered buy-back in the interim would be fiscally irresponsible.

³ **2,107 GL** has been recovered under the Basin Plan ([Progress on water recovery | Murray–Darling Basin Authority \(mdba.gov.au\)](#)). Pre-Plan recovery is **875 GL** ([Pre 2009 water recovery table \(mdba.gov.au\)](#)); which omits the **700 GL** Barmah–Millewa Environmental Allowance (<https://www.environment.nsw.gov.au/-/media/OEH/Corporate-Site/Documents/Water/Water-for-the-environment/annual-environmental-watering-priorities-2020-21-murray-lower-darling-200340.pdf>), and full utilisation of **70 GL** for the Murray under the *Snowy Water Licence* ([2011 Snowy Water licence schedule 4 amendments to River Murray increased flows call out provisions](#)). This high-level snap-shot of large volume recovery over the last 20 years gives us a total of **3,752 GL**, to which we must now add the current Federal Government's additional commitment of **450 GL** – which gives us a total of **4,202 GL**.

⁴ In the absence of the forthcoming, comprehensive Basin Plan review.

⁵ [Submissions – Parliament of Australia \(aph.gov.au\)](#), submission 9, page 10.

⁶ [Water Amendment \(Water for the Environment Special Account\) Bill 2012 – Parliament of Australia \(aph.gov.au\)](#)

Prior to the *Restoring Our Rivers Bill*, the interaction between constraints and the 450 GL had appropriate legal recognition. An additional 450 GL had no benefit unless system constraints had been addressed. This was fair for all Basin water users, and provided a key protection for communities who now find themselves unreasonably exposed.

Essentially, they're hit with a double-negative: (i) continued pressure from 'no regrets', ineffective constraints activities that may be abandoned in 2026; and (ii) a forced and rushed further grab for water that's no longer supported by best available evidence.

As noted above, in August 2023, all Basin Governments – except Victoria – agreed to tackle a 'no regrets' package of constraints relaxation through to the end of December 2026.⁷ This approach has significant implications for the success of the 605 GL of off-sets, which is something that is currently being ignored.

Five constraints projects currently contribute to the 605 GL⁸, and we know that four of them won't be finished in the two extra years that they've been given.⁹ The best available estimate of the shortfall this will create is in the order of at least 150 GL.¹⁰

We have until 30 June 2025 to effectively fill this, and any other expected shortfall. It's imperative that Governments work together over the next 16 months to ensure this takes place. It's incumbent on the Commonwealth to act as a strong leader during this time.

The MDBA now has free-reign to determine the best method for ensuring project benefits under the 605 GL are optimised. In the best interests of both irrigators and the environment, this method must be expanded to incorporate all the activities that directly enhance the benefits of using environmental water across the Basin.¹¹

3. Reinstating Certainty – The Same Rules Must Apply To Everyone:

Our final comment relates to the not unreasonable expectation that all irrigators who engage in trade have access to sufficient, timely information to support (and ideally optimise) their productive capacity.

It's hard to argue that it's reasonable for any single market player to spend \$205 million over a couple of months,¹² without any meaningful information being publicly released that allows other market participants to understand what a buy that big means for them.

Given this spend only successfully procured 26 GL – the enormity of a purchase exercise of up to 450 GL requires urgent attention with respect to the release of timely and comprehensive market information.

⁷ [Agreement of Murray-Darling Basin Ministers to deliver the Basin-Plan in full \(dcceew.gov.au\)](#), paragraph 4.

⁸ [Sustainable Diversion Limit Adjustment Mechanism: 2023 Assurance Report \(mdba.gov.au\)](#).

⁹ A 3 year extension has been provided; however the MDBA will spend the first year writing a plan.

¹⁰ [sdlam-independent-indec-status-assessment-report-april-2021.pdf \(mdba.gov.au\)](#).

¹¹ E.G.: reduce carp to support native fish; feral species control at key ecological sites; and riparian land management.

¹² [Commonwealth to spend \\$205 million on first water buybacks in Murray-Darling Basin under Albanese government - ABC News](#)

We note that a strong part of the enabling legislation that gives effect to the *Draft Restoring Our Rivers Framework* is heavily focused on market operation, and the importance of ensuring everyone is a good market participant.

By waiting up to 3 years for critical protections to start, the Commonwealth is essentially giving itself free reign in the water market in the interim, with the ability to impact water markets regardless of intention. This needs to be dealt with immediately.

We expect the Commonwealth to publish a *Market Involvement Strategy* that operates for at least the duration of the *Restoring Our Rivers Framework*. It must be regularly updated, to ensure it stays current with DCCEEW's activities in the Basin.

The Commonwealth's *Market Involvement Strategy* must include clear advice regarding all intended purchases (volume, timing and location), as well as independently verified confirmation that DCCEEW is complying with new rules around: (i) market manipulation; (ii) false trading and market rigging; and (iii) illegal offers, trades or transfers.