

SADA UPDATE

28 November 2017

Royal Commission equals political smoke and mirrors

The South Australian Dairy Farmers' Association has questioned the wisdom of the proposed Royal Commission into the Murray Darling Scheme.

On Friday the MDBA released the independent panel compliance review, commissioned by the Federal Government in the wake of the Four Corners report on alleged water theft in the Barwon Darling River system. The key points of the report are summarised below on the next page.

The real impact of calling a Royal Commission is to hit the pause button on the issue and it will be paused for at least a year. Whilst a Royal Commission sounds fine in the first instance there are several enquiries on foot including a NSW ICAC investigation into the use of water from the scheme. The NSW ICAC already has Royal Commission like powers. The issues are already well known as outlined by the Murray Darling Basin Authority when it released its report last week. According to the MDBA the allocation systems in SA and Vic seem to be operating well enough but the shortcomings are clearly in NSW.

What the Royal Commission will do is cause everyone to take cover and the standard response to any matter affecting the scheme will be to say that we must wait for the Royal Commission to hand down its findings. This includes a real risk to investment in scheme related projects in South Australia.

This means the State Labor Government won't do anything and now that the State Liberals have taken the 'me too' approach, the matter evaporates as a political issue for the next year. After a year the Royal Commission will hand down findings that will report most upon material which is in the public domain and that they were limited by jurisdictional constraints.

Farmers need better than this. The issues that are challenging the scheme are NSW based and we need our leaders to engage in NSW and Canberra and compel action today from those authorities and Governments with responsibility.

A Royal Commission will become a simple excuse for all parties to wait and see. In South Australia we will engage in at least a one-year hiatus from doing anything. SADA is in dialogue with both the Government and the opposition regarding this matter and the need be active in working for South Australian industry.

Key points from MDBA Compliance Review

- SA's compliance framework is the most extensively codified with staff guidelines and most transparent, with detailed annual reports on compliance activity and outcomes.
- In Victoria, GMW has a strong commitment to compliance underpinned by sound governance arrangements. But Victoria lacks a full suite of penalties and sanctions, so compliance can only occur administratively or by criminal prosecution requiring a very high standard of proof suited to serious breaches.
- NSW has a significant volume of hard to measure unregulated water and floodplain harvesting. But compliance has been a low priority, with an absence of a culture of compliance, organisational instability and limited resourcing resulting in a lack of effectiveness, consistency and transparency.
- In Queensland, compliance culture is still developing as Qld only signed up to the Cap in 2010. Overland flow harvesting is even more significant than in NSW, and along with unsupplemented water means that getting accurate data is very difficult.
- Enforcement activity varies greatly. In 2016-17, NSW issued 44 warning letters and notices, Queensland 14, South Australia 355, Victoria 562, and the ACT 1.
- Compliance activity resulted in a very small number of prosecutions: in 2016-17 no prosecutions in NSW and Queensland, and six in the other states.
- A notable lack of transparency in NSW, Queensland and Victoria, reflecting a closed culture and many compliance aspects not being codified and therefore not able to be published.
- For NSW and Queensland, water compliance is bedevilled by patchy metering, the challenges of measuring unmetred take and the lack of real-time, accurate water accounts.
- NSW and Queensland both have a low level of compliance resourcing. ie, NSW has one compliance officer for 355GL of diversions, in Queensland one officer for 235GL, and in SA has one officer for 56GL of diversions.
- The Murray-Darling Basin Authority has not given sufficient attention to compliance, has not provided a clear statement of its compliance role, and has not dealt adequately with allegations of compliance breaches.
- Full compliance with the Basin Plan cannot be achieved until state water resource plans have been revised and accredited in line with the Basin Plan requirements. Slow progress in NSW and Victoria means a risk the 30 June 2019 deadline will not be met.
- In relation to the Barwon–Darling, the Review finds that the current NSW water-sharing plan fails to provide adequate protection for environmental water, particularly during low flows.

SADA acknowledges the work of the Australian Dairy Industry Council and Australian Dairy Farmers in supporting our efforts in this area.