Daniel Connell

28-4-10

The Basin Plan is a side show

Thesis

Through the Commonwealth Water Entitlement Holder the national government will be able to achieve its environmental objectives even if the Basin Plan is not implemented by the states

(ie Basin Plan is **not** core to the restoration of the MDB)

If you don’t learn from the mistakes of the past you are likely to repeat them

Ground Hog Day

There have been a number of major attempts to restore water to the rivers of the MDB:-

1. Salinity and Drainage Strategy 1989
2. Natural Resources Management Strategy 1990
3. COAG rural water reform package 1994
4. The Cap mid 1990s
5. ICM Policy statement 2000
6. Living Murray First Step 2004
7. National Water Initiative 2004
8. And now the Basin Plan 2010

MDB Plans
What do they have in common?

- Previous attempts were not acknowledged or their failure explained
- All are examples of integrated catchment management with a command and control approach
- Implementation processes were designed and controlled by states
- States often blamed the Commonwealth for unpopular features despite policies – pre Basin Plan - being joint decisions
- In all cases policy development and implementation was conceived as a technical/managerial task
- Little effort to build a narrative re the benefits of sustainability
- Stakeholders beyond irrigation not mobilized re multi-purpose MDB

Implications for the Basin Plan

- All findings apply to the Basin Plan
- Overwhelming message is that implementation is the most difficult task – not the design of the policy whether it be the Cap, NWI or the Basin Plan.
- How should we strengthen implementation capacity?

The CEWH

- Will manage all water purchased by the Commonwealth.
- Water will be managed as entitlements-based water not as rules based water
- Speed of implementation of the SDLs will be determined by the CEWH budget and any limitations imposed by the Comm Govt. (The Basin Plan timetable will be irrelevant)

Rules-based v entitlement water

- ‘Rules-based’ is what is left after the management rules are applied
- Environmental water held as entitlements has the same legal characteristics and security as entitlement water held by anyone else
- In droughts much of the rules-based water is transferred to entitlement holders
  (result of the management rules developed to cope with droughts)
- Environmental water held as entitlements will not be reduced to the same extent as rules-based water during droughts

Game Changer – Howard's $10 billion

- $3 billion for environmental buybacks gave the future CEWH a strategic role
- When announced in January 2007 the rules-based v entitlements debate was still unresolved – much of the environmental water to be purchased was vulnerable to return to production because entitlements get priority under the management rules
- Combination of $3 billion budget and the decision to keep water as entitlements makes the CEWH central to future environmental management

Role of the future CEWH

- Likely that the Basin plan will be indefinitely delayed by legal and political action (not due to come in until 2014 in NSW and 2019 in VIC + five year phase in anyway)
- Has proved difficult to achieve high quality plans (NWC reports)
- In a disorganized, uncoordinated reality the CEWH will still be able to deliver significant volumes of water to the environment
- Would make strategic sense for people focusing on environmental outcomes to concentrate on building the capacity of the CEWH to deliver good outcomes
- The operation of the CEWH here described makes more sense in a polycentric world than do the command and control type arrangements that have been repeatedly proposed in the MDB