



PO Box 5
Darlington Point NSW 2706

20th December, 2010

The Committee Secretary,
House of Representatives Standing Committee on Regional Australia,
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Sir,

The release of the Murray-Darling Basin Authority '*Guide to the proposed Basin Plan*' has caused much angst in the Murrumbidgee Shire region with this coming on the back of a long period of drought. The Murrumbidgee Shire has already seen our employment sector heavily impacted by the recent closure of the red gum forests and a loss of water allocations would devastate our major employment sector, agriculture.

Murrumbidgee Shire is located in the Riverina region of south-western New South Wales and occupies 0.35 million hectares (3,505 square kilometres), with approximately 2,547 residents, making it least populated relative to neighbouring LGAs. In contrast to state-wide trends, the Shires' population declined by 4.5% during the period from 2001 to 2006. Agriculture is the dominant industry in Murrumbidgee Shire, accounting for 35% (in 2006) of its employment and over this period, the Shire has seen an increase in employment in manufacturing and retail, however much of the activity is highly dependent on agriculture. Irrigated agriculture occupies just 17% of the area of Murrumbidgee Shire (~62,047 ha), but makes up 64% of the gross value of agricultural production (~\$46 million; 2005-06). The value of production declined slightly in aggregate for Murrumbidgee shire between 2000/01 and 2005/06 from approximately \$73 million to just over \$70 million. This was mainly due to declines in the value of crop production.

The economic impact of drought and low water allocations in the Murrumbidgee regional economy between 2005-06 and 2009-10 is estimated to have resulted in a total loss of:

- Approximately \$40.8 million in output to the regional economy, comprised of \$30.6 million directly, \$4.1 million through production induced flow-on activity, and \$6.1 million through consumption induced flow-on activity;
- Approximately \$16.2 million in value added activity, comprised of \$11.5 million directly, \$1.8 million through production induced flow-on activity, and \$2.9 million through consumption induced flow-on activity;



- Approximately \$5.2 million in wages and salaries, comprised of \$2.4 million directly, \$1.0 million through production induced flow-on activity, and \$1.8 million through consumption induced flow-on activity; and
- Approximately 205 FTE employment positions comprised of 151 FTE positions directly, 17 FTE positions through production induced flow-on activity, and 36 FTE positions through consumption induced flow-on activity.

The reduction in economic activity in Murrumbidgee has been driven by reduced rice production and milling in the regional economy.

Analysis of flow-on impacts by industry shows that the industries of manufacturing, wholesale trade, retail trade and transport and storage are estimated to have experienced the most significant loss in economic activity as a result of flow-on impacts (both type I and type II) from the drought and low water allocations.

Murrumbidgee Shire Council is concerned that the current plan has not considered the social and economic impacts upon the region and this has been evidenced by the MDBA estimation of job losses and economic impact. If this is the quality of their social and economic studies then there should be real concerns in the quality of their scientific information which is the driving force of the report. This scientific information seems to be a blatant grab at as much water as possible, especially since the Leader of the Greens, Bob Brown, has been touting that it has been 'scientifically proven' that 1,500 gigalitres is needed for environmental water since 2006. Until very recently, this same figure of 1,500 gigalitres was being quoted by Mike Young from the University of Adelaide and other water experts as the best science.

The Guide, proposed by the Murray Darling Basin Authority, now claims that the best science establishes that at least double this amount, 3,000 gigalitres, is the absolute minimum and 7,600 gigalitres is a more realistic target. The major change has not been in the science, but rather expectations have grown within the ranks of Green activists, along with disdain for Australian agriculture, with rice growers in particular increasingly held in contempt.

The new Guide has been touted as independent comprehensive scientific assessment of the environmental needs of the Murray Darling Basin, yet incredibly there is no justification provided in the 223-page document for the extraordinary revision of what was 'scientifically proven' just a few years ago: the need for up to 7,600 gigalitres when previously 1,500 was considered more than adequate. Incredibly the new Guide even lacks a reference list, normally a minimum requirement for a work of science.

While scientific balance is required for the long term survival of the Murray-Darling Basin, there needs to be a common sense approach to ensure that not only the environment survives but so do the communities that rely on both the economic and



environmental aspects of the basin. There has been major mismanagement of both the Lachlan and Murrumbidgee river systems for many years now by bureaucrats who don't live in the Murray-Darling Basin, are not impacted by what happens in the Murray-Darling Basin and quite conceivably have never visited the Murray-Darling Basin.

We currently have the ludicrous situation where the floods along the Murrumbidgee River (December 2010) are being further exacerbated by the continual release of 4,000 to 5,000 megalitres of water per day from the Snowy Hydro system into already overflowing Burrunjuck and Blowering Dams because of environmental flow obligations in the Snowy Hydro operating licence. These flows will continue regardless of downstream impacts and as I write this submission we are monitoring the rising waters to ensure that Darlington Point township is not inundated by the rising waters.... commonsense should have prevailed long ago.

The Authority should be looking at ways to better utilise what water we currently have and investing in infrastructure projects that will provide long term solutions to regions as well as employment during the construction phase. We have already seen in this region the benefits of productive engineering solutions to reduce evaporation in water storages, with Murrumbidgee Irrigation's Barren Box Swamp project.

Located 30km north-west of Griffith, NSW, and spanning 3,200 hectares, Barren Box Storage and Wetland (BBSW) project is one of the largest water infrastructure projects in regional Australia specifically instigated to return water to the environment. The major outcomes for this project are:

- reduced water evaporation and forced releases to the lower Mirrool Creek floodway, saving an average annual 20,000 megalitres which will be returned to the Snowy River without impacting on any irrigator's entitlements
- significant benefits for the environment through the restoration of more natural flow regimes to the site and return of flows to the upper reaches of the Snowy River, as well as reducing drainage to the lower Mirrool Creek environment
- improved management and efficiency of the water storage and reduction in downstream flooding
- improved water quality for downstream users (Wah Wah Irrigators)
- preservation and enhancement of local sites of indigenous cultural significance
- the generation of considerable social and economic benefits for the local community by ensuring the continuation of sustainable irrigation in the Murrumbidgee Irrigation Area (MIA)

The Government should be working with local Councils and industry experts to determine infrastructure projects in each of the regions that will benefit communities and provide water saving opportunities.



The benefits of investing in infrastructure far outweigh the easy solution that the Government has earmarked which is to acquire the environmental water through buybacks from what they loosely term 'willing sellers'.

There are no 'willing sellers' in this region, only people who have been pushed so close to the edge due to the bureaucratic mismanagement of the Basin. Farmers in the Murrumbidgee region have already given, in good faith, a large percentage of their water through the NSW Water Sharing Plans and now are being told they will lose 43% of what they have left.

These are not willing sellers, these are strong willed men and women who have carved out an existence in one of the harshest climates in the world to provide food for the Australian nation and are now nearly at the point of breaking.

Most of these farmers have grown up on the land, having farming in their blood and are extremely successful at what they do, but the MDBA in their infinite wisdom of knowing these regions states that they will be able to seek other employment when they leave the farm. Over 60% of the Murrumbidgee Shire population has no post-school qualification, as they are career farmers where you learn on the job, not in a fancy university.

Even with most of the labour force in Murrumbidgee not having post-school education our farming communities are still achieving world best practice farming measures and water management processes.

CASE STUDY

"Coleambally farmer, Kayleen Ward, indicated that an 8% cut in her allocation as proposed in the Basin Plan Guide would mean 800 of her 10,000 prune trees and almost 30 of her 330 grapevines would have to be pushed over and burnt. This loss will severely impact on the farms ability to service their \$300,000 debt, after Kayleen and her father John switched from growing rice 4 years ago to cut water use. Kayleen, who is just 27, had hoped that the changes to her farm would allow for a long term future in farming but with the basin plan hanging over her head she is not sure what the future holds in farming, even for the efficient ones."

There are many more stories of businesses in this region achieving world's best practice, yet it seems that these have little effect on the Governments decision in their grab for environmental water. Communities such as Darlington Point and Coleambally are reliant on reliable water entitlements to ensure that industries and farming continue to be viable. These communities also rely on the environment to ensure the long term sustainability of the region and as such have become environmentalist themselves in their efforts to reduce water usage and impacts to the surrounding landscape.

Council's concerns may summarised as follows:-



- The water requirements for the environment seem to be based on doubtful science and unsatisfactory methodology and consequently the recommended sustainable diversion limits may well be based on flawed science and untested assumptions;
- Insufficient attention has been given to potential alternate methods by which the water requirements for the environment may be met and/or minimised;
- More detailed socio-economic studies need to be undertaken to measure the potential decimation of rural communities in the Basin if the proposed diversion limits are implemented. There needs to be a balance between the environment and communities;

PL Wells
Mayor
Murrumbidgee Shire Council