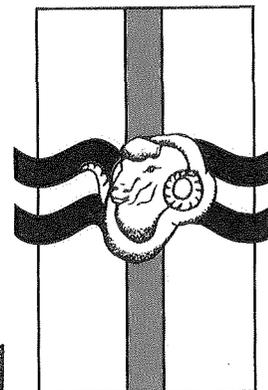


21 January 2011



The Chairman
Standing Committee on Regional Australia
House of Representatives
Parliament House
CANBERRA ACT 2600

Submission No: 571
Date Received: 22-1-11
Secretary: SL



**DENILIQVIN
COUNCIL**

Dear Sir

**DENILIQVIN COUNCIL SUBMISSION TO THE INQUIRY INTO THE
IMPACT OF THE MURRAY DARLING BASIN PLAN GUIDE
(MDBPG) IN REGIONAL AUSTRALIA**

INTRODUCTION:

Deniliquin Council appreciates this opportunity to make a submission regarding the extreme adverse impacts that the implementation of the MDBPG would have on the Deniliquin community and the broader regional community. We also welcome the decision, By Minister Crean, to appoint this Standing Committee to undertake the inquiry.

The Deniliquin Local Government area covers 129.5 sq kilometres in southern New South Wales and straddles the Edward River. Deniliquin is the sub-regional service centre for Murray Irrigation Limited, one of the largest privatised irrigation areas in Australia. Deniliquin has faced a gradual but sustained and significant reduction in population over the past 15 years. The population decrease has been brought about substantially as a result of the centralisation policies of both State and Commonwealth Governments and the prolonged drought conditions that have prevailed for much of the last decade.

The community on Deniliquin is very disappointed at the way in which the MDBPG was prepared and released without any reasonable degree of consideration being given to the social and economic impacts that would arise there from.

EFFECTS OF THE DROUGHT:

The community of Deniliquin and the surrounding region are starting to show the first sign of recovering from a decade long drought. The general feeling in the community is that, if the proposed basin plan is adopted, this region will enter into a permanent government induced economic decline far worse than the impacts of the extended drought that we have endured.

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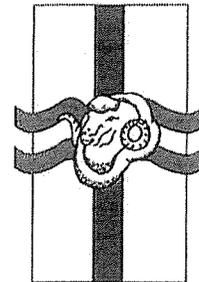
Website
www.deniliquin.nsw.gov.au

ABN 90 513 847 629



DENILIQVIN
Deniliquin On The
Edward River
NSW

"Achievement through Action"



The individuals and businesses that have persevered for the last decade and who have so far survived the worst aspects of the drought hold grave fears that the MDBP, if introduced in the form envisaged by the "Guide", will result in an inevitable conclusion that their business operations will not be able to recover and many more businesses will close and thus create an atmosphere where the downward trend in the local economic and social viability of our community will be guaranteed to continue.

The effects on the economy of the Deniliquin community would be devastating should the proposed basin plan be implemented in its suggested form. If 3000 gegalitres was removed for environmental purposes this would result in a 58% reduction in the amount of water available for our important irrigated agriculture activities. Such a reduction would be devastating to the local economy. The community of Deniliquin is very heavily reliant on irrigated agriculture for its ongoing survival

The effects of the drought on this community have been devastating. Such downturns can be accepted where they are caused by nature and are largely beyond our control but when the "drought" is created or imposed as a result of government decisions this is not acceptable to the community particularly when the science behind the decisions is clearly flawed or incomplete. Examples of the effect of implementing the plan, in its present form, can be seen in terms of how the drought affected the town as outlined hereunder.

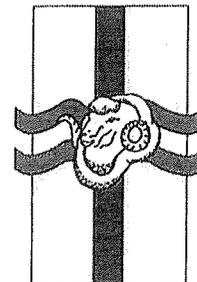
The Deniliquin Rice Mill closed in 2008 following very low levels of allocation and subsequent poor rice crops over the previous several years. This closure led to the immediate direct loss of approximately 90 jobs. The rice mill had been gradually reducing numbers from about 250 employees in 2002. At the same time, due to the drought and limited numbers of livestock, the Deniliquin abattoir closed. This abattoir employed 120 people on busy kill days, mainly casuals.

Due to changed climatic conditions in recent times, the Deniliquin Rice Mill has announced that it will reopen for the 2011 harvest. Negotiations are currently underway for the Deniliquin abattoir to be sold and re-opened given the improved rainfall and forecast availability of stock in the region. Both of these positive outcomes for our region will be placed in serious jeopardy should there be a permanent 3000 gegalitre reduction in water available for irrigated agriculture. Such an outcome would eliminate the current prospects of at least 210 to 220 direct jobs being created in these two areas alone.

This is a clear demonstration of the inaccuracy of the projected loss of employment figures contained in the Authority's Guide which indicate 800 jobs lost across the entire catchment. Given the flow on impacts that would inevitably arise from the closure of the abattoir and the closure of the Rice Mill, Deniliquin Council would not be surprised if that figure (800) would be exceeded in Deniliquin alone. The affects on local business would be catastrophic. Council can foresee the closure



of the two remaining new car dealerships (another has already closed due to the prolonged drought), grocery stores, clothing stores, variety stores etc.



IMPACTS OF GOVERNMENT DECISIONS AND CUTBACKS:

The community of Deniliquin and the region have been hit very hard by government cutbacks over the last 15 years.

The people of Deniliquin have become very cynical about government programmes and promises over the years and consider that decisions of the State and Federal governments, and their agencies, have done as much, or more, damage to the local economy as the drought.

The downturn in the population of Deniliquin started in the 1990's when the CSIRO research station was closed. This research station employed about 150 professional and semi-professional people, who were relocated to Adelaide and Canberra. A large amount of the intellectual capital of the community was lost with the dispersal of these scientists and professional people along with their respective spouses and, in many cases, their children.

Another large impact on the Deniliquin community in the late 1990's was the abolition of the regional office of the Roads and Traffic Authority of NSW. This resulted in the loss of 34 professional engineers and other staff and their families. On a regional basis, the impact has been even more significant with 30 RTA staff members being removed from the Finley Works Office and a further 80 from the Hay works office.

Other government departments and semi-government authorities that have reduced their numbers in Deniliquin include:

- Telstra (60);
- Australia Post (5);
- NSW Department of Health (8);
- NSW Department of Agriculture (now I & I) (25); and,
- State Water (60)

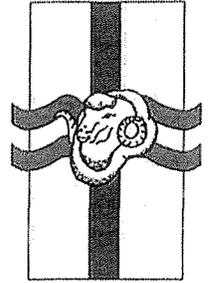
Most of these employees, especially management level employees, have been relocated to larger regional centres such as Griffith, Albury and Wagga Wagga.

The Deniliquin community has felt like it has been under siege for a number of years, because of government decisions, and has lost faith in the decision makers of this country who seem to be determined to destroy regional communities such as ours.

Nobody should have been surprised by the reaction of the community of Deniliquin at the recent community consultation meeting in our town. The latest government induced blow to our community was seen in what was perceived (in many quarters) to be a dishonest campaign to transfer the Barmah-Millewa Forests into a National Park. There was a



be utilised in wetlands further upstream. With an appropriate engineering solution, it would be possible to maintain a supply of fresh water for the inhabitants of the adjoining regions without having adverse impacts on the environment.



The people of this region are in no way suggesting that the quality of life for the people of the lower lakes should be reduced. It is also our wish that this feeling would be reciprocated. The removal of barrages and installation of alternative engineering solutions would save a large amount (up to 900 gigalitres) of freshwater for environmental needs in that and other areas.

While it is in a different area, and has different characteristics, it would also be appropriate to look at the solution that the Victorian Government used in the Gippsland Lakes. They managed to keep the mouth of these lakes open to the ocean and maintained a healthy and vibrant local economy. These lakes would receive a much smaller inflow of fresh water than the lower lakes receive from the Murray Darling system.

CONCLUSION:

In the state of New South Wales, the various stakeholders and communities of the Murray Darling Basin, in collaboration with NSW State Agencies, have developed a number of water sharing plans for each of the river valleys. These plans were generally developed over a period of four years and came up with balanced solutions to protect the environment whilst, at the same time, allowing the communities to survive **both economically and socially**. The implementation of these Water Sharing Plans was deferred due to the extreme drought conditions that have prevailed for much of the last decade. As a first step Deniliquin Council suggests that these Water Sharing Plans be implemented and tested over a reasonable period of time to ensure that their effectiveness can be properly assessed.

The community of Deniliquin implores the Standing Committee to ensure that the social and economic impacts of the implementation of the Murray Darling Basin Plan are thoroughly examined and reviewed before any further consideration is given to the actual implementation of the plan. Once the plan is put in place it will be almost impossible to reverse the adverse impacts on the communities involved.

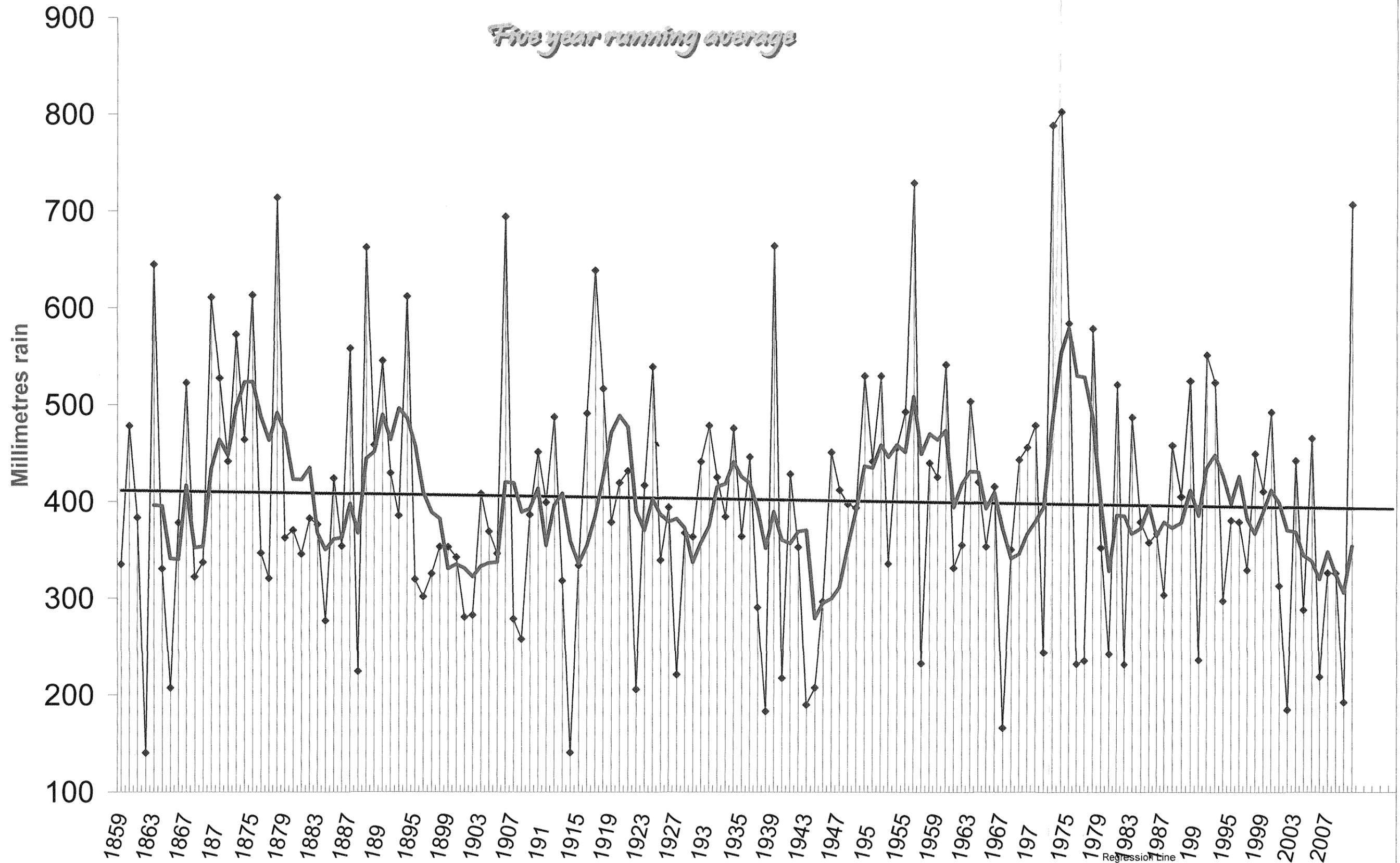
Yours faithfully

**BRIAN MITSCH
MAYOR**



RAIN IN DENILIQUIN 1859 TO 2010

Five year running average

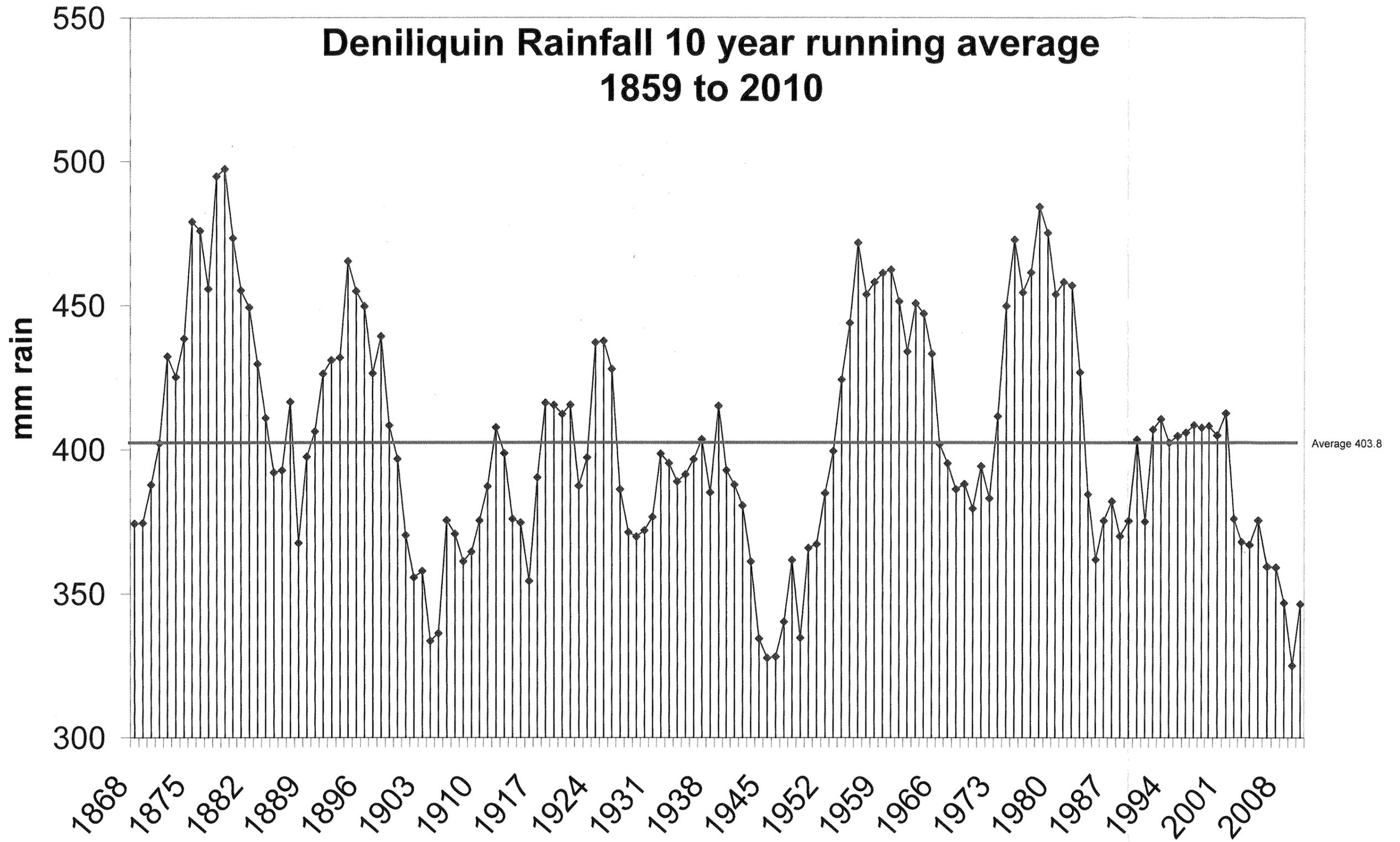


COMPILED BY BRIAN MITSCH AND ASSOCIATES

year

Regression Line
 $y = -0.1222x + 411.64$
 $R^2 = 0.0017$

Deniliquin Rainfall 10 year running average 1859 to 2010



Compiled by Brian Mitsch

year

Average 403.8