

24 October 2012

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Cnr Hare and Heygarth Streets, Echuca, Vic., 3564
PO Box 35, Echuca, Vic., 3564Committee Secretary
Senate Standing Committee on Environment and Communications
PO Box 6100
Parliament House
CANBERRA ACT 2600

To whom it may concern,

Re: *Submission to enquiry - Water Amendment (Long-term Average Sustainable Diversion Limit Adjustment) Bill 2012*

Please accept this as a brief submission to the Senate Standing Committee on Environment and Communications enquiry underway into the *Water Amendment (Long-term Average Sustainable Diversion Limit Adjustment) Bill 2012* (the Bill). This submission is lodged on behalf of the Murray River Group of Councils, Greater Shepparton City Council and Strathbogie Shire Council in northern Victoria.

This submission does not intend to pass assessment of the specific provisions of the Bill, but rather seeks to convey the Group's broad aspirations in relation to the matter of adjustable Sustainable Diversion Limits (SDL's). In recognition of the Basin Plan being at a critical stage and the close alignment of our position to that of the Victorian Government, the Group wishes to defer to any position or commentary provided to the Committee by the Victorian Government on the specifics of the Bill.

By way of background, the Murray River Group of Councils (MRGC) comprises six municipalities along the Victorian Murray River, being Mildura Rural City, Swan Hill Rural City, Gannawarra Shire, Shire of Campaspe, Moira Shire, and Loddon Shire. For the purpose of the Murray Darling Basin Plan, the City of Greater Shepparton and Shire of Strathbogie have partnered with the MRGC in recognition of shared interests around water reform in the Murray Darling Basin.

The outcomes of reforms around water use in the Murray Darling Basin are of primary interest to the communities and businesses of our region. Northern Victoria is agriculturally significant, producing approximately 58% of Victoria's irrigated agricultural product valued at almost \$2b annually. Within the footprint of our eight municipalities, around 34% of the workforce is employed directly in agriculture and manufacturing, the latter primarily in the refining and food processing sector. While water security for the region's foundation industries is of particular ongoing importance, the farming businesses of northern Victoria have willingly worked towards the improvement of the health of the region's waterways through returning over 400GL of water to the environment through on-farm and irrigation delivery system efficiency improvements. With the rivers of the region being fundamental to local identity as well as contributing economically through tourism, there is broad acknowledgement in our communities of the need for a healthy environment.

Recognition of the importance of these diverse issues underpins the Group's advocacy for a balanced Basin Plan.

***Partnering for a balanced Basin Plan***

Our eight partnering Councils lodged a group submission to the Murray Darling Basin Authority in April 2012, wherein a number of recommendations were made for modification to the draft Basin Plan. At the core of the recommendations was a view that sustained investment in water efficiency would be pivotal to resolving the complex challenge of balancing environmental, economic and community needs. It remains the Group's view that the productive capacity of this region and the wider Basin can be maintained and enhanced if sufficient resources are provided to achieving maximum efficiency from farming systems, water delivery systems, and environmental watering methods and programs.

Sitting alongside this recommendation was the recognition that 'fixed' SDL's would not likely offer sufficient incentive to identify and invest in water efficiency opportunities. For example, the potential to increase an SDL by undertaking an efficiency project that would yield water savings would actively encourage governments, businesses and the community to collaboratively find ways to 'streamline' the way in which water is used and managed in the Basin. Our original submission made the observation that:

In line with the Plan's claimed preference for an adaptive management framework, the Group would like to see the Basin Authority explore alternative options for expression of the SDL's, which is expressly provided for in the Commonwealth Water Act. We are attracted to alternatives such as an equation-based or other adaptive expression of SDL's that could continue to account for ongoing water savings through efficiencies gained via channel, on-farm and environmental works and measures. This method could also act as an incentive for governments and authorities to invest in measures that will reduce the impact on local communities while continuing to deliver water back to the environment. (p.27)

The Group therefore supports in principle the concept of legislative recognition for the adjustment of Sustainable Diversion Limits. In our view, the characteristics of such a mechanism should:

- Provide a clear and transparent process for adjustment to SDL's;
- Ensure appropriate scrutiny of efficiency proposals that give rise to an adjustment;
- Provide for a streamlined approval process absent of undue political influence; and
- Seek to maximise the potential for the efficient use of water for all users.

The final point above is considered critical in order to ensure that the vision of a balanced Basin Plan is able to be brought to fruition. As identified earlier, the key concern for this region is the potential for further loss of water from productive use and the considerable economic and community consequences arising from that loss. Any mechanism for SDL adjustment should therefore ensure that the potential for continued improvement and efficiency in the use of water in the Murray Darling Basin is able to be maximised.

Thank you for the opportunity to provide this submission to the enquiry. As stated at the opening, the Group is satisfied to defer to the position and views of the Victorian Government in relation to the specifics of the provisions proposed by the Bill.

Yours faithfully,

CR KEVIN SIMPSON
CHAIR
MURRAY RIVER GROUP OF COUNCILS