



LODDON SHIRE COUNCIL

Submission to
House Standing Committee on Regional Australia

**Inquiry into the impact of the Murray Darling
Basin Plan in Regional Australia**



LODDON
SHIRE

CONTACT

This submission was prepared on behalf of
Loddon Shire Council

by

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Signed:

 **John McLinden**

Date: 14 December 2010

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About the Loddon Shire

The Loddon Shire is the largest municipality by area in the Goulburn Murray Irrigation District and covers approximately 6,700 square kilometres with a population of approximately 8,000.

Loddon Shire is characterised by a number of small towns and vibrant communities including Bridgewater, Boort, Inglewood, Pyramid Hill, Serpentine, Tarnagulla, and Wedderburn. The Shire is bordered by the Campaspe, Greater Bendigo, Mount Alexander, Central Goldfields, Northern Grampians, Buloke and Gannawarra Shires. The Loddon River flows through the middle of the municipality.

Agriculture is by far the largest economic sector in the Loddon Shire. Geographically, the Southern area of the Shire is characterised by dry land and traditional mixed farming enterprises, with irrigated agriculture supported from the Loddon Deep Lead and diversions from the Loddon River. The North of the Shire has a focus on large scale irrigated cropping and mixed dry land enterprises.

The Shire has excellent transport networks with freight and passenger rail services available and three major highways passing through it.

Council has informed itself

Following the release of the 'Guide to the Murray Darling Basin Plan' the Loddon Shire recognised that this issue would be of serious concern to its community. Council ensured that it read the Guide and invested significant resources in ensuring that there was sufficient knowledge within the organisation to hold meaningful debates with the Murray Darling Basin Authority (MDBA), with our local political representatives and with the Loddon community. Council attended community information sessions hosted by the MDBA at Echuca. Council also consulted widely with its community with these consultations cumulating in a community meeting conducted at Pyramid Hill where approximately 50 members of the Loddon community attended to voice their views on the Plan.

Council staff had attended briefings with the Municipal Association of Victoria and with the MDBA and in particular it's CEO, Mr Rob Freeman and the Chair Mr Mike Taylor.

Council's discussions with its community at the community forum held on the 11 November 2010 in Pyramid Hill provided significant insight into the communities

concerns with the Guide to the Murray Darling Basin Plan. Council feels that in preparing this submission it is providing the enquiry with a concise insight into the views of the Loddon community including the views of its irrigators, its service sector and its business sector.

What about the science?

In all the debate that surrounds the Guide to the Murray Darling Basin Plan there is great disagreement, however Council is clear on one thing, the science surrounding the premise upon which the MDBP is built is complicated, is not well understood by the general community and is not easily challenged. Not because of the strength of the science, but because of its vagueness, and because of the inability of individuals without adequate science training to challenge the so called experts.

It is understood that the authority has adopted the precautionary principle when developing the Plan.

It is accepted that this is common practice where a new proposal is being considered, which may have negative impacts upon the environment. Council questions whether it is appropriate to use the precautionary principle in this instance, where the proposal will not do more harm to the environment, but is trying to improve the environment. Basin communities have had a right to divert water for in excess of 100 years in some circumstances. It seems unfair to Council that the burden of proof should be shifted to communities to make the case as to why they should be allowed to continue to divert water when in fact the Authority should be required to provide sufficient rigor to the science to prove that diversion limits need to be reduced to the extent suggested in the guide to the Plan.

In effect the Authority is gambling with the future of all those who live in the Basin and depend on agriculture and the service industries that support irrigated agriculture in the Murray Darling Basin. Council does not believe that it is acceptable that this gamble should be based on inadequate science or on science which can't be readily explained to lay persons in the community and its certainly not acceptable that the community should have to shoulder the burden of proof and therefore shoulder the loss of water entitlements where the science does not stand up to the rigor required.

Council has been unable to find sufficient detail about the proposed use of environmental water obtained through buy backs or through reductions in sustainable

diversion limits within the Basin. In order for the Murray Darling Basin Authority to suggest a reduction in sustainable diversion limits of 3000 – 7000Gl per annum one would expect that the authority has a proposal for how this water is to be used, preferably expressed as an environmental watering plan. Council is unable to find this detail in the documents so far released and questions how the Authority can arrive at the necessary reductions in water entitlements without having fully explained how this water will be used and consequently the benefits that will flow from this environmental water.

The people of the Basin and Australia

It is clear that for many communities in the Murray Darling Basin that agriculture is the backbone of the economy and therefore their economic and consequently their social wellbeing. The proposed reduction of water for agriculture suggested in the Guide to the Murray Darling Basin Plan severely impacts the viability of almost all communities in the Murray Darling Basin. Reductions in water availability for agricultural communities in the Loddon Shire will impact not only on irrigated agriculture but also on dry land farming communities and the townships that service agriculture. The interdependence between agricultural sectors in each community is now significant with dry land farmers producing grain and fodder for irrigated beef and dairy operations and with townships significantly dependent on the revenue and the population that comes from intensive agriculture and irrigated and dry land agriculture. Any reduction in the availability of water to irrigated agriculture reduces the viability of those remaining irrigation farmers and further stresses an already fragile economy and social structure of this part of rural Australia.

Council questions whether the Authority has paid sufficient attention to the contribution that agriculture makes to the Australian Economy. I note that recent media reports credit agriculture with retaining Australia's positive terms of trade

"If not for the farm economy, Federal Treasurer Wayne Swan would be playing down the Australian economy's lapse into negative territory today," National Farmers' Federation (NFF) CEO Ben Fargher said as the first meeting a federal government National Food Plan was held in Sydney.

"It really does drive home just how important Australian agriculture is. Not only does it feed this nation and many around the world, it is still the backbone of our economy. Through the good times and bad, farming is the stabilising feature that gives our economy strength and surety.

"Equally, our farmers need surety to produce the food we take for granted each day. In fact, around 93% of the food we eat every day is grown on an Australian farm – that's about 40% of everything we produce. The rest is destined for world markets."

By the year 2030 it is expected that the world population will have doubled, with an increase in land mass used for urban living. In Victoria, land use is as follows:

- Urban and Crown land 30%
- Dry land agriculture 68%
- Irrigated agriculture 2%

The 2% of land used for irrigated agriculture produces 27% of Victoria's agricultural value. When extrapolated across the entire Murray Darling Basin, one can see that the contribution to the Australian Economy from irrigated agriculture from the Murray Darling Basin is significant and important to the wellbeing of all Australians.

Council contends that the Authority needs to find ways to improve the environmental values of the Murray Darling Basin without unreasonably damaging irrigated agriculture and the Basin communities that are so dependent on the wealth generated from irrigated agriculture.

A proposal for the future

The Loddon Shire Council believes that the MDBA requires a new approach to developing a Basin Plan. In some parts of the Basin there has clearly been an over allocation of water resources and Council accepts that these issues must be addressed and suggests the following approach:

- The MDBA must clarify the environmental water needs of the Basin
- The science needs to be tested and communicated to Basin communities in a way that can be easily understood, analysed, debated and ultimately accepted by Basin communities
- Having clarified the environmental water needs of the Basin the MDBA must demonstrate how this water will be used and therefore quantify the environmental benefits that will flow from this. It is suggested that an environmental watering plan be developed that clearly articulates the water needs of each catchment and sub catchments within the Basin, shows the seasonal and long term variations of water needs for the various environmental classes within each catchment and brings this data together in the environmental watering plan.
- Having spelt out how the environmental water is to be used and therefore by quantifying the benefits that will flow from this environmental water, the authority

may be able to get some acceptance from Basin communities of the value of a Basin wide approach to water management.

- The MDBA must exhaust all avenues to improve environmental outcomes through means other than reducing the availability of water to agriculture. Victoria has a strong track record of achieving water savings through the use of improved irrigation technology and upgrading of irrigation infrastructure. It is understood that the cost per mega litre of water saved through infrastructure is more expensive than simply buying water on the market. This cost however may be short term. Water savings achieved through infrastructure provides an improved environment and leaves behind an efficient and viable irrigation industry and therefore benefits communities supported by that irrigation industry.
- The Authority should also consider the use of engineering solutions to deliver environmental water to various environmental assets in the Basin. Local wisdom suggests that with appropriate engineering solutions, delivering environmental watering to key sites, 80% of the environmental benefit can be achieved with 20% of the environmental water. Council calls upon the MDBA to undertake and document this research so that Basin communities can have confidence that every effort has been made to improve environmental values in the Basin whilst minimising harmful impacts on Basin communities.

The Authority should also consider the construction of environmental dams in key sites to store significant volumes of water devoted purely to environmental benefits. The cost of such infrastructure projects could be borne by all Australians or at least by those who will receive a direct benefit from the health of the Murray Darling Basin

- A revised MDBP must recognise the good work already done. Throughout the Basin many communities have undertaken significant environmental works, have improved irrigation efficiency and have water allocation policies that ensure increased reliability of irrigation supplies.

The infrastructure upgrades undertaken as part of the Northern Victoria Irrigation Renewal Project are a prime example of the good work currently being done on improving environmental outcomes for the Murray Darling Basin.

- It is essential that the MDBP values the contribution agriculture makes to the Australian economy. To implement a Murray Darling Basin Plan as it is portrayed

in the Guide to the Plan, would have a significant impact on Australia's agricultural production and would in some way impact all Australians

Conclusion

Council appreciates the opportunity afforded by this inquiry to highlight the potential damage that will be done to the communities of the Murray Darling Basin if the plan is implemented as suggested in the Guide.

Council respectfully submits that this inquiry recommend to Parliament that the MDBA be requested to take a new approach to the development of a MDBP that will maximise benefit to the natural environment but minimise the harm done to the social and economic wellbeing of the 1.9Million people who live in the Murray Darling Basin.