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16th April 2012

Dr. Rhondda Dickson,
Chief Executive Officer,
Murray Darling Basin Authority,
PO Box 3001,
CANBERRA ACT 2601

Dear Dr. Dickson,

RAMROC SUBMISSION - PROPOSED MURRAY DARLING BASIN PLAN

Introduction

The Riverina and Murray Regional Organisation of Councils (RAMROC) welcomes this opportunity to present a written submission in response to the Proposed Murray Darling Basin Plan.

RAMROC represents the interests of eighteen member Councils in the Murray and Western Riverina region of south west New South Wales. The region covers an area of 126,595 sq km and has a total population of some 166,000 residents.

The major regional service centres are Albury City (March 2012 ABS pop 51,359) and Griffith City (pop. 26,001). Major agricultural sectors of the region embrace highly productive irrigation areas and communities, the largest and best known ones being Murray Irrigation, Murrumbidgee Irrigation and Coleambally Irrigation. There are also very proactive private irrigation schemes and individual irrigators, as well as towns and communities that rely to a significant degree upon the natural river and forest environments and related tourism and local industries.

Dryland and irrigated agriculture, food and fibre production and associated processing, transport and service industries and businesses are very much the lifeblood and principal drivers for the region's environmental, economic and social wellbeing. Agriculture and irrigation will always be the fundamental foundations for the region's progress and sustainability.

In lodging this submission, RAMROC extends its appreciation to you as Chief Executive Officer and other senior MDBA officials for meeting with the RAMROC Member Councils in Hay on Wednesday 4th April 2012 and for the separate occasions in which the Member Councils have had the opportunity of conferring with Chairman Craig Knowles and attending other engagement meetings which MDBA has conducted throughout the Basin region.

With the advantage of information gained in discussions emanating from those meetings, in addition to taking full account of feedback from our region's communities and a broad range of other key stakeholders, this submission has been developed as the 20 week consultation period now draws to an end.

This submission will set out the reasons for RAMROC's ongoing opposition to the proposed Basin Plan in its current form. It will also comment on the key issues of concern and will suggest an alternative way forward with the objective of achieving more equitably balanced environmental, economic and social outcomes.

MEMBER COUNCILS Albury, Balranald, Berrigan, Carrathool, Conargo, Corowa, Deniliquin, Greater Hume, Griffith, Hay, Jerilderie, Leeton, Murray, Murrumbidgee, Narrandera, Urana, Wakool and Wentworth

The reasons why RAMROC opposes the Proposed Basin Plan

- The Proposed Basin Plan still provides for very substantial removal of irrigation water currently used for food and fibre production. When the pre 2009 water entitlement acquisitions are taken into account, over 3,600 GL will have been diverted by 2019 to satisfy generally unsubstantiated demands for watering of environmental assets;
- Water entitlements proposed to be diverted in the Murray and Murrumbidgee systems remain unacceptable and will impact extremely adversely on food and fibre production, with serious consequential economic and social impacts on businesses, service industries, tourism operators and communities across the region;
- The whole process of water buybacks to date has been poorly devised and managed, starting with ad hoc Commonwealth water buyback purchases that were never underpinned by any form of strategic plan. This has caused the often referred to "swiss cheese effect", leaving stranded assets, loss of agricultural production, and adverse impacts on families, businesses and communities;
- In most cases, it is believed that a majority of irrigators who have sold their water under the Government's buyback program have not indeed been "willing sellers", but more likely they sold their water out of financial pressure or family necessity, with the sale income mostly used to retire debt or to exit the agricultural industry altogether;
- The SDL calculations in the current Proposed Basin Plan are still not supported by any comprehensive and detailed Environmental Watering Plan, which was originally claimed by MDBA to be the fundamental first step basis for the determination of watering needs for the environmental assets and the calculation of new Sustainable Diversion Limits. The science remains unclear and is deemed to be unconvincing at best, in the same way as are the undefined and unquantified environmental outcomes;
- The Environmental Watering Plan as set out in the Proposed Plan provides only a framework and a guiding set of principles, thus requiring the respective State Governments to complete detailed EWPs at a later time. There appears to be no rational justification for this strategic shortfall, as comprehensive EWPs could easily have been developed and incorporated into the Proposed Plan by MDBA adopting a closer collaborative and co-operative working relationship with the States;
- The current proposals do not substantiate the undertaking given by the Federal Government and the MDBA Chairman in late 2010 that the Proposed Basin Plan would achieve a sensibly balanced triple bottom line outcome of environmental, economic and social factors. In fact, we now face unsubstantiated conclusions relating to the serious economic and social impacts on towns, communities, businesses and residents in irrigation areas, with quite dismissive consideration being given to a wide range of other external studies which project significant job losses, business downturn and population loss in irrigation dependent communities;
- The conclusions of the socio-economic analysis are suspect to say the least and certainly are at odds with the socio-economic studies that have been undertaken externally, which conclude that there will be very substantial and adverse impacts on employment levels, population decline, business, property values and service levels. The detailed analyses of socio-economic impacts undertaken by MDBA Consultants for individual catchments and towns still have not been made publicly available;
- There is no analysis of the disproportionate impacts in some low annual rainfall western areas of the region which lack agricultural diversification and where removal

of irrigation will cause greater levels of damage to the economy, jobs and amenity of those areas. Wakool Shire west of Deniliquin is one typical example;

- Although the Proposed Basin Plan envisages an adaptive management approach and plans to spread the pain out over a longer period of time through to 2019, the eventual results will be the same, i.e. reduced food and fibre production in a world of growing demand, loss of Australian export income, further economic and social downturn in already stressed communities and above all unavoidable increases in cost of living and food prices for Australian grown products. Any timetable for transition would need to be far longer and better planned and managed;
- The current proposal to undertake a mid term review in 2015 is far too early for a full re-assessment of all factors to be meaningfully undertaken, because it does not give sufficient time for infrastructure works to be completed and their water savings accurately determined, nor time for the identification of more effective and water efficient ways in which to deliver environmental water to the identified assets;
- There is a total lack of Federal Government vision and strategy for Australia's water management future and no endeavour whatsoever to investigate alternative water solutions. There is no long term National Water Plan and certainly no attempt has been made by the Government to bring together the interrelated issues of water, food and fibre production, food security, sustainable regional and rural communities and a healthy river system and environmental protection. This is despite the fact that these key issues all fall under one combined Ministerial portfolio. A real opportunity of co-ordination and a Whole of Government approach has therefore been totally ignored;
- The proposed Basin Plan completely ignores the question of structural adjustment for impacted catchments, towns and communities. Water is the lifeblood and by far the key economic driver for many parts of the southern basin region, and it is very difficult if not impossible to identify and attract alternative industries that can replace the severe loss of the economic and social fabric of those disadvantaged communities. It is inconceivable that this Federal Government is simply prepared to sacrifice rural Australia as merely collateral damage, ostensibly to satisfy a political agenda of city based extreme environmentalists, who have no concept of overall national interests;
- The "downstream water recovery target" of 971 GL for the southern connected basin is still not apportioned amongst the applicable catchments and it seems from MDBA advice that the make-up of this additional "take" may not be determined in the short term. This is unacceptable, in that it perpetuates regional uncertainty at a critical point of time for the Murray, Murrumbidgee and Lower Murray-Darling catchments;
- There has been no comparative cost-benefit analysis of the potential environmental assets outcomes resulting from the proposed additional environmental watering, vis-à-vis the cost-benefits of irrigated agricultural production and associated industry, transport, business, community, social, nature tourism and recreational fishing etc;
- The issues of evaporation losses of some 900 GL per year in the South Australian Lower Lakes region have not been addressed in the Proposed Basin Plan. This defeats the whole concept of taking a "basin wide" approach and reinforces the understandable total lack of public trust and confidence in the process to date;
- There is no analysis of environmental water delivery constraints and mechanisms, or of ways to address likely third party impacts. No details have been given as to the nature and extent of third party impacts on private properties, public lands, agricultural production and river based tourism (the Murray River at Tocumwal being a prime example), which will no doubt arise from prolonged periods of poorly timed environmental water releases and consequent sustained flood level conditions;

- There is no mention at all of the potential for “hypoxic black water” and “fish kill” events which will occur under sustained high volume environmental flow conditions. There appears to be no understanding that history of the MD Basin clearly demonstrates that “nature looks after itself”;
- There is no demonstrated methodology as to whether the Commonwealth Water Holder is technically and administratively equipped to successfully manage the amount of environmental water that he already holds, let alone the additional amounts which are being proposed to be acquired;
- There is no documented review of the current health conditions of the Basin’s catchment river systems and the identified environmental assets, arising from the wet weather and flood conditions that have occurred since 2010, following the break of the millennium drought. A high priority task is to undertake a comprehensive review and to compare those review results with the amounts of water entitlements already held by the Commonwealth Water Holder, in order to determine whether in fact any further acquisitions are required;
- There is little community confidence in relation to the MDBA references to the importance of “localism”, the future role of catchment communities and the effective and logical utilisation of local technical experience and expertise;
- The Proposed Basin Plan unfortunately appears to adopt the faulty premise of “just add water” to resolve environmental issues, as well as an apparent assumption that the Basin’s environmental problems can only be solved by so-called scientific experts;
- There is no comprehensive plan which assesses the amount of water savings that can be achieved through the implementation of specific infrastructure projects at either State or local levels, or to achieve water savings from infrastructure programs which can more effectively deliver environmental flows to some of the identified assets;
- There has been no consideration given to alternative mechanisms by the Commonwealth Water Holder for the acquisition and delivery of environmental water, particularly in relation to annual purchases or lease of temporary water allocations.

The current situation in relation to adoption of the Proposed Basin Plan

The Proposed Basin Plan currently has minimal support. It is strongly opposed by communities, businesses, property owners, irrigation organisations, food producers and the NSW and Victorian Governments on one hand, and at the opposing end of the debate it is also opposed by environmental groups, scientists and the South Australian State Government. There is also a clear and growing likelihood of potential legal action, on the grounds that the Proposed Plan contravenes the legislative intent and provisions of the Commonwealth Water Act 2007.

The wide ranging concerns expressed about the lack of the Proposed Plan’s scientific credentials, its broad assumptions, its failure to include a detailed and workable Environmental Watering Plan, the doubts about the environmental water delivery capacity and catchment constraints, together with the potential for third party impacts, are all casting doubt about whether the Ministerial Council and the Federal Government will be positioned realistically to give a final approval to the Proposed Plan, without the risk of legal challenge.

Furthermore, the dramatic change in weather conditions since 2010, with high rainfall periods and flooding of the river systems and environmental assets, has given everyone time to now reflect and review on what has occurred in the restoration of healthy rivers and environmental

asset conditions, in agricultural production and in communities generally, i.e. time to undertake an overall re-assessment of all relevant considerations throughout the Murray Darling Basin. It is also clear that the trust and respect of Basin communities has been completely eroded during the processes of the initial MDB Guide and more recently this Proposed Plan. There is no community confidence or trust in MDBA and the Federal Government to deliver a fair and equitable balanced Basin Plan.

Under these circumstances, arguably the best way forward might well be for both the Federal Government and MDBA to pause the process, take stock of these current situations and then to move forward along the following lines:-

- Cease all further environmental water buyback programs that will remove irrigation water from food and fibre production;
- MDBA to work closely with State Governments and give due recognition to the State Water Sharing Plans, so as to prepare up front a comprehensive Environmental Watering Plan as the foundation basis for reviewing the proposed Sustainable Diversion Limits;
- Extend the transition period to achieve the finally determined Sustainable Diversion Limits from 2019 to say the year 2030;
- Prepare a comprehensive plan of irrigation based infrastructure works which will identify and deliver significant water savings, including full details of savings that can also be achieved through improved river management strategies and rule changes;
- Proceed urgently with the implementation of the \$4.8 billion irrigation infrastructure programs, with particular priority to the nominated State Government projects that will expeditiously generate significant quantities of water savings;
- Undertake a comprehensive re-assessment of the current health of the river systems and the Basin's catchments and identified environmental assets, arising from the dramatic change in weather conditions and the increased water availability following the end of the millennium drought;
- The Commonwealth Water Holder to fully investigate and identify opportunities to supplement the current amounts of water entitlements that he holds, by way of temporary purchases and/or leases; as well as determining exactly how he will be able to physically deliver the environmental water entitlements and annual allocations;
- MDBA and the Federal Government to fully investigate all opportunities to undertake nationally important infrastructure projects, such as additional or enlarged water storages, river diversion schemes, system management strategies and other strategic options which can provide alternative innovative solutions to generate additional water resources in the Murray Darling Basin;
- The Federal Government to provide an urgent and substantial program of agricultural research and development, in order to identify realistic options for more water efficient food and fibre production in the Murray Darling Basin;
- The Federal Government to review its position in relation to the intent and provisions of the 2007 Commonwealth Water Act and if necessary to amend the Water Act to ensure equal weighting and balance of environmental, economic and social considerations;

Executive Summary

There is no doubt that the Proposed Basin Plan, with its recommended Sustainable Diversion Limits and associated additional acquisitions of irrigation water entitlements, will have permanent and deleterious impacts on food and fibre production in the southern Murray Darling Basin and particularly will continue to impact adversely on the future sustainability of communities in irrigation reliant areas.

Community and investor confidence in many of the RAMROC region's towns and communities are already at a very low ebb. There is strong evidence of business slowdown or failure, as well as deteriorating property values, personal hardship and loss of community services. These serious and unacceptable effects are very much attributed to the Basin Plan proposals.

The Proposed Basin Plan is vigorously opposed by a wide range of diverse organisations, and special interest groups throughout the Basin and likely by at least three State Governments. Furthermore, the Plan potentially faces legal challenge, on the grounds that it may be in contravention of the intent and provisions of the Commonwealth Water Act 2007.

Whilst it is important to resolve these issues as expeditiously as possible to provide long term certainty for Basin communities, the end of the millennium drought in 2010 and the recent years of high rainfall and floods now present opportunities to review the work that has been undertaken by MDBA to date and to investigate other options which can achieve the desired environmental objectives in a much better and less disruptive way.

At the meeting in Hay on 4th April, RAMROC had forwarded in advance a list of specific questions, as had been requested by MDBA. These are again set out in the attached Appendix A. Whilst some of those questions were responded to by MDBA and were the subject of discussion, some were not adequately addressed. It would therefore be greatly appreciated if MDBA could, as part of its consideration of RAMROC's submission, provide specific written responses to the issues raised in each of those questions.

This submission therefore strongly advocates that the process leading to the development of a final Murray Darling Basin Plan be continued, but that the opportunity be now taken by MDBA and the Federal Government to postpone the final adoption of a Basin Plan at this point of time, so as to enable the following tasks to be undertaken:-

- to undertake a comprehensive review of the assumptions and conclusions which have so far been taken by MDBA,
- to review and as necessary to improve the scientific research that underpins the conclusions made so far by MDBA in relation to the Proposed Basin Plan;
- to work more closely with the respective State Governments and to make far more effective use of local experience and expertise;
- to immediately commence to prepare, in conjunction with State Government agencies and paying due regard to existing Water Sharing/Resource Plans, comprehensive and detailed Environmental Watering Plans for the respective catchments, as an integral component of the Proposed Basin Plan;
- to take full account of the rainfall and river inflow conditions for the years 2010 and 2011 and to model in detail the impacts of those high rainfall years;
- to completely review the current environmental condition of the various catchments, river systems and identified environmental assets, as a result of the changed weather conditions in 2010 and 2011, and consequently to carry out a full re-assessment of the proposed Sustainable Diversion Limits;

- to extend the transition period to the adoption of Sustainable Diversion Limits, with a suggestion of the year 2030 as a reasonable timeframe, and also to push back the proposed 2015 review to at least the year 2020;
- to review the socio-economic work and conclusions, so as to give far more detailed attention and acknowledgement of the range of external studies that have been carried out across the Basin, and to publicly make available full details of the socio-economic studies that have been undertaken for specific Basin catchments, towns and communities;
- to consider and develop alternative options and strategies to generate more water for the Murray Darling Basin system and watering of environmental assets, rather than simply removing irrigation water from food and fibre production;
- to prepare a comprehensive long term strategic plan, which clearly identifies realistic and achievable means of providing structural adjustment and economic diversity of the impacted catchments, towns and communities impacted by reductions in water availability, together with guarantees to provide the required levels of Government funding to implement identified actions, which will in turn ensure that communities are sustainable in the long term.

The Member Councils of RAMROC are committed to remain as important contributors to the MurrayDarling Basin Plan process and to assist in every way possible to achieve a balanced final Basin Plan within an appropriate timeframe; one which best meets environmental, economic and social outcomes and one that satisfies community expectations of fairness and equity.

Cr. Terry Hogan AM
Chairman
RAMROC

Mr. Ray Stubbs
Executive Officer
RAMROC