

CARRATHOOL SHIRE COUNCIL

SUBMISSION TO THE STANDING COMMITTEE ON REGIONAL AUSTRALIA

INQUIRY INTO THE IMPACT OF THE MURRAY DARLING BASIN PLAN IN REGIONAL AUSTRALIA

Submission Number: 161

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Carrathool Shire

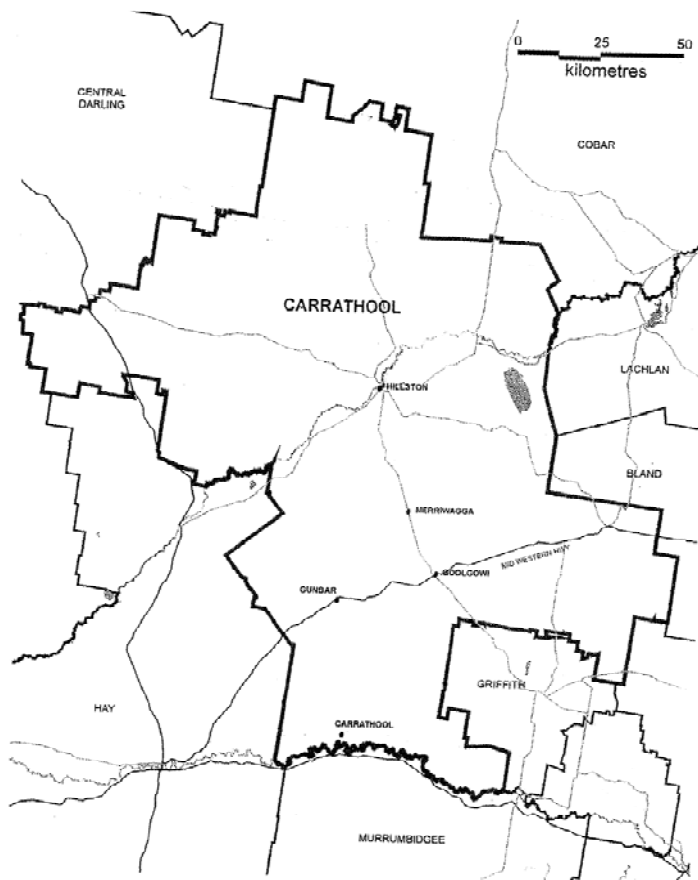
Carrathool Shire is a large rural Shire having an area of 19,000 sq. kms and five urban centres including the town of Hillston and the villages of Goolgowi (Council headquarters), Merriwagga, Carrathool and Rankins Springs. It is traversed by the Murrumbidgee and Lachlan Rivers as well as the Mid Western Highway and the Kidman Way. Willandra, Cocoparra and Nombinnie National Parks are also a feature of the area.

All villages except Merriwagga are serviced by public schools with Hillston providing a Convent School and a Central School to year 12. Secondary education is also provided at the city of Griffith 50 kms in distance from Goolgowi. The Shire is serviced by hospital and medical services in Hillston and Griffith. Hillston also boasts a well stocked library.

The town and villages feature excellent recreation facilities which have been established with a great deal of community effort and pride. Hillston and Goolgowi have 25 metre swimming pools (solar heated) which operate for 22 weeks of the year. Modern playground equipment is provided for each township and village.

Whilst still predominantly an agricultural based shire, we have diversified greatly from small dryland cereal growing and large grazing pursuits to irrigation crops such as cotton, walnuts, olives, rice, corn, cherries, vegetables, potatoes, citrus, and intensive feed lotting.

The effects of the drought, continuing water restrictions, and water buyback program have impacted heavily on the shire community as evidenced by the decline in population from 3,300 at the 2001 census to 3,000 persons



currently resident in the Shire.

Submission

Carrathool Shire Economic Activity Overview:

Carrathool Shire's economy relies very heavily on agricultural production with 50% of FTE's engaged in agricultural related activities. The importance of agricultural production to our area is highlighted in the economic output for the Shire for 2005/06 year:

<i>Sector</i>	<i>\$million Value of production</i>
Grain Commodities	92.4
Livestock	46.5
Other Agricultural Commodities	64.8
Services to Agriculture	17.8
Food & Beveridge Manufacturing	<u>8.0</u>
<i>Total</i>	<u>229.5</u>

Since then, and as a result of the drought, water buy back and low water allocations, the annual economic activity has reduced by approximately \$45 million with a reduction in FTE's of approximately 160 from the 2005/06 levels. Added to this is the statistic that the overall value of agricultural production in the Shire fell from over \$300 million in 2000/01 to that shown for 2005/06.

Whilst only 3.4% of the area of Carrathool Shire is utilised for irrigated agriculture over 50% of the 2005/06 gross value of agricultural production came from irrigation crop farming. This highlights the high value the irrigation industry in both the Lachlan and Murrumbidgee Valleys is to our Shires economic future.

Council is therefore vitally concerned with any actions, such as that revealed in the ill conceived Guide to the Murray Darling Basin Plan (Plan), which may impact further on this highly productive area and its important contribution to the Australian economy.

Submission Details:

Whilst Council recognises the terms of reference of the Inquiry it makes the following general comments regarding concerns it has with current and proposed water management issues (including the Plan) and its effect on the socio economic fabric of our area.

- *Effect of Proposed SDL's*
 - Council notes that the sustainable diversion limits (SDLs) proposed in the Plan for the Lower Lachlan Alluvium ground water extractions would be 40% which would be on top of the 50 % reductions imposed on extractions via the NSW Lachlan River's

Water Sharing Plan process. It notes that during this process that the reduced levels were assessed as being sustainable and that the Lower Lachlan Alluvium utilisation does not impact on the levels of the Lachlan River itself (by NSW Office of Water)– so why is this source being targeted? If this 40% reduction is applied then Council shares the concern expressed by local irrigators that this would be enough to make their businesses unviable and the result would more likely be closer to a 100% reduction which, as an inevitable result, would absolutely destroy the economy of the town of Hillston, the major community in our Shire – is this what the Plan is proposing or has the Murray Darling Basin Authority (Authority) failed to consider these major impacts?

- The proposed SDL's for the Murrumbidgee will result in cuts to irrigated agriculture of up to 43% in the southern area of our Shire. These significant cuts, when added to those proposed for the Lachlan, would be devastating for the Shire and would also impact further on the regional centre of Griffith which benefits from services it provides to the agricultural industry in Carrathool Shire and other areas within the Riverina
- *Water Sharing Plans*
 - Existing NSW Water Sharing Plans, such as the Lachlan's, already provide well for the environment as extraction is limited to 25% of the long term average annual flow with 75% going to the environment!
 - It is also important that all State Water Sharing Plans are on an equal footing and that Victoria does not get four years free of SDL's (if such are introduced) at the expense of other States
- *The Plan's "Socio Economic" Considerations*
 - The Plan contends that there would only be 800 job losses and only an \$800,000 reduction in gross irrigated agricultural activity (based on the low grab of 3,000GL/y additional environmental water) – what planet is the Authority on?? This is just further evidence of the lack of consideration of any socio economic impacts in the Plan and highlights the lack of confidence in any of the figures and projections contained therein!
 - A comprehensive study was conducted recently by Judith Stubbs and Associates based on a range of cuts to irrigation which showed that a cut of 25% in allocations would see a reduction in employment in Griffith by 9.5% and in population by 12.7% - this is much closer to the mark and highlights the danger of this ill conceived plan to all the Murray Darling Basin!
- *The Science?*
 - The Plan admits that most of the evidence base utilised by the Authority is only of "medium" reliability! What does this mean in terms of the margin of error in the

proposed SDL's and why should such wide ranging decisions proposed in the Plan be based on what can only be considered as inexact science?

- Council is also greatly concerned with recent statements by the “50 concerned scientists” and the Wentworth Group that the upper limit of 7600 GL/y for environmental requirements probably would not be enough and their “demands” could well be escalated in the future – again broad brush statements with no real scientific proof but with catastrophic impact on socio economic outcomes! How many of these scientists predicted the wide spread flooding rains we are currently receiving (December 2010).
- *Potential for Alternative Water Solutions*
 - Council contends that the Plan gives insufficient consideration to the issue of alternative water solutions for the Basin's water resources and management and the Plan must not look simply at the problems that exist, it must also investigate potential long term solutions. The Authority has failed to consider options for new water sources for the Basin, nor has it considered ways to better manage the existing resources within the Basin, including the following:
 - New infrastructure projects, including additional and/or expanded water storages
 - New and innovative irrigation technologies and infrastructure, both on and off farm
 - Harvesting and redirecting surplus water resources from northern Australia
 - Removal of the restrictive structures at the Lower Lakes Barrages which would return a more natural flow to the Murray River mouth
 - Engineering solutions to reduce major evaporation losses e.g. Menindee Lakes
 - Engineering solutions to more effectively and efficiently deliver water to the Basin's environmental assets.
- *Water Buyback*
 - Council is vitally concerned that the continuing water buyback by the Federal Government is compromising the future debate on the issues of water management in the Basin.
 - The Inquiry should impress on the Federal Government and its bureaucrats that there should be a moratorium on water buybacks until all the issues in the Basin, particularly the socio economic impacts are adequately addressed.
- *Farmers as Environmentalists*

- Farmers are natural environmentalists as they have to employ techniques which ensure the long term sustainability of their farms and their productive capacity and irrigators additionally are vitally concerned that the long term future of their most important asset, irrigation water, is sustainable
- Irrigators therefore know that there needs to be a balance between the environmental requirements and the economic returns from water use and that is why they have accepted the NSW Water Sharing Plans which have addressed this balance, which unfortunately the Plan fails dismally to do.

Summary

Carrathool Shire Council's major concern is that the Plan contains various proposals on the long term average SDL's for the Basin which will have a disastrous effect on Basin communities relying on irrigation for their continued social and economic well being and indeed their survival.

Council feels that the Plan fails to provide convincing scientific argument; that it favours the environment over all else; and that it scarcely and inaccurately considers the all important socio economic impacts.

Council, therefore, is strong in its resolve that the Plan, as presently structured, lacks any credibility and fails to consider the future of a great number of productive communities and their energetic and loyal citizens and urges the Committee to recommend the scraping of the Plan and the formulation of a new plan which provides a balanced and thoughtful approach to the future of sustainable water management in the Basin for the continuing benefit of ALL AUSTRALIANS and not just the environmental sector.

Council also urges the Committee to recommend to the Federal Government, as a matter of urgency that the water buyback program ceases until all issues in the Basin particularly the socio economic impacts are adequately addressed.

Peter Laird

Mayor

Ken Croskell

General Manager