



Hay Shire
COUNCIL

Hay Shire Council

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The Committee Secretary
Senate Standing Committee on Rural Affairs & Transport

Submission on Basin Plan

This brief submission on the Murray Darling Basin Plan concentrates on non-political elements of the task of the Basin Authority which is to implement the requirements of the Water Act of 2007.

The Authority has the mere task of returning between 3000 and 7600 gigalitres of water to the river systems each year and ensuring there is little or no negative impact on the social and economic aspects of the people living in the Basin.

The inaugural Chairman of the Authority Mr Michael Taylor AO strongly implied in his letter of resignation that it was not possible for an equitable triple bottom line result to occur whilst pursuing the objectives of the Water Act of 2007.

Prime Minister Julia Gillard is quoted in the Australian of 7th December 2010 in regard to Mr Taylor's resignation as follows:- "Particularly he (Mr Taylor) believes that the overriding outcome that should be sought from these reforms is the environmental outcome. As Prime Minister, my view is that we must optimise across the environmental, social and economic areas of work."

Mr Taylor could not see how all objectives could be met. It may indeed not be possible.

Council full supports and endorses the RAMROC submission to the Authority dated 30th November 2010, particularly in regard to the National and Global considerations of food and fibre production and security.

Hay Shire Council represents a small isolated community of some 3,500 which has become very dependent upon the availability of irrigation water from the Murrumbidgee River in non-drought years to tide it over the many dry years when no irrigation water has been available.

The proposed cuts of at least 30 to 40% (higher depending upon climate change factors) in irrigation water when compared to the historic long-term available irrigation water for the area will have a devastating effect on our small community. Implementation of the Plan as proposed will cause serious distress to real people in our community. Jobs will be lost and properties devalued as people leave the area to congregate in the already overpopulated city areas seeking employment opportunities. The flow-on effect to Council will be very serious and services will suffer.

The Hay community is made up of strong and resilient individuals, however, it is likely the personal stress caused by the implementation of this proposed plan will result in an increase of domestic violence and even suicides. The current uncertainty caused by the release of the Guide to the Basin Plan in the community is tangible and statistics reflect the loss of families to the area. Research currently being undertaken by consultants SKM and RMCG in the course of the Strengthening Basin Communities project indicates undeniably there will be major job losses in the Basin due to water buybacks and climate change factors.

Irrigators are already controlled in the volume of water they are allowed to use each year, therefore it seems pointless to legislate a water buyback scheme for the environment. In good years there will be ample water for the environment and irrigators. In drought years there will be no water for the environment or the irrigator. **Water sharing plans have already been initiated in the various States.**

The entry of the Commonwealth Government into the water market will skew the market which has always been set on a commercial basis with buyers requiring water for the production of viable crops.

The assertion in the proposed plan that the growth in tourism industry due to increased environmental flows will compensate for the loss of production caused by the reduction in available irrigation water, should be seriously questioned. Such assertions were made by the NSW State Government as part justification for its purchasing vast tracts of viable landholdings for National Parks. The growth of tourism due to the establishment of these many National Parks has been minimal.

There are a number of assertions contained in the Guide to the proposed Plan which seem to be based on inaccurate or inadequate evidence. In particular:-

- (a) **The need to return somewhere between 3,000 and 7,600 gigalitres to environmental flows per year. A figure of 3000 to 4000 has apparently been decided upon as achievable.**
- (b) **A total Commonwealth allocation of \$12.6B over a ten year period to restore the health of the basin. How is this figure determined?**
- (c) **Included in this figure of \$12.6B is an allocation of \$5.8B for water efficiency programs which have not yet been identified. What are the efficiencies and what is the volume of water they will save?**
- (d) **Also included in this figure of \$12.6B is an amount of \$2.4B for water buybacks at an unknown price per ML.**
- (e) **An estimated total job loss number in the whole Basin of 800. Many other studies show this estimate to be ten times this figure. (refer Judith Stubbs and Associates). Obviously there has been no accurate assessment of this aspect of the impact.**
- (f) **There is no possibility of any harvesting of additional water for the environment by the construction of additional dams or further investigation of diversion schemes. Such water would be harvested in wet periods such as we are now experiencing to be used in providing environmental flows as**

required in drier seasons. Why as a country are we not investigating this alternative?

In summary Council appreciates the Guide to the proposed Basin Plan has been prepared as a direct consequence of the Water Act of 2007. It is acknowledged the Parliament of Australia enacted this superfluous Act on a bipartisan basis, however, it seems likely the real consequences to communities were never investigated.

If the Government does not repeal the Bill in its entirety, the monetary value of appropriate compensation should be properly and accurately assessed for all stakeholders, with all taxpayers being required to pay the consequences for the removal of water allocations, as the irrigators alone are not responsible for the over allocations. Allocations have been determined in the past by Federal and State Government bureaucrats, not irrigators. It should also be borne in mind that the flow-on effect from removing water allocations will reach almost every person in our community from the irrigators to the business suppliers, hoteliers, painters, plumbers, carpenters and café employees. The viability of each real person involved in these aspects of community life will be threatened by the loss of up to 40% of irrigation water.

Communities must not be allowed to disintegrate, at least not until all possible alternatives to return water to the environment have been investigated.

Thank you for considering this brief submission.

Yours faithfully

Allen Dwyer
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