

Submission to the Senate Standing Committee on Rural Affairs and Transport

Submission by



Australian Government

**Department of Regional Australia,
Regional Development and
Local Government**

December 2010

Submission to the Senate Standing Committee on Rural Affairs and Transport: The management of the Murray-Darling Basin.

Introduction

This submission is by the Department of Regional Australia, Regional Development and Local Government (the Department) in response to the Senate's reference to the Senate Standing Committee on Rural Affairs and Transport on 28 October 2010 to inquire and report on "The management of the Murray-Darling Basin, and the development of the Basin Plan".

The submission describes the Department's responsibilities for regional Australia and regional development and how these apply to the consideration of the social and economic impacts of the Murray-Darling Basin Plan (MDBP). It describes the processes Government has implemented and is developing to assist communities in the Murray-Darling Basin to identify opportunities for economic development and diversification in response to the MDBP once it is completed.

The submission focuses on those elements of the Committee's terms of reference that are directly relevant to the Department's responsibilities and the Department's intended efforts in the period to finalisation of the MDBP. These efforts will focus on the development of a whole of government approach to assist communities and to facilitate input from communities via Regional Development Australia Committees (RDAs) into the Government's final consideration of the MDBP.

Responsibilities of the Department of Regional Australia, Regional Development and Local Government

The Government has made a strong commitment to empowering and supporting the social, economic and environmental sustainability of regional Australia, particularly in relation to increased access to services and opportunities to support economic development and diversification. The Government has developed a holistic framework across government to provide leadership at the national level, including through the appointment of a dedicated Minister, and establishment of:

- the Regional Australia and Regional Development Committee of the Cabinet;
- the Department of Regional Australia, Regional Development and Local Government;
- the House of Representatives Committee on Regional Australia;
- the Secretaries Committee on Regional Australia; and
- a Ministerial Council to drive regional issues across levels of government.

The Department was formally created as a result of the administrative arrangement orders which were signed by the Governor-General on 14 September 2010.

To support the Government's commitment to ensure regional Australia has its voice heard and its special needs and circumstances considered diligently by the Government, the Department's priorities include:

- ensuring there is a well-coordinated approach across government in supporting and empowering local communities;
- ensuring policies and programs in the department and across government take into account the needs and priorities of regional Australia;
- providing oversight and coordination of the Government's Commitment to Regional Australia agreed with the independent Members of Parliament, including managing key aspects of that agreement;
- identifying and supplying opportunities for regions to improve productivity and growth, for example, by accessing key programs across government;
- facilitating effective engagement with local communities in partnership with states and territories and local government;
- developing robust regional information and evidence for government to make informed decisions based on needs and priorities to be able to report on the pattern of Commonwealth investment and effort into regions; and
- improving the governance and implementation of existing programs and services to the territories.

This submission focuses on the following terms of reference of the committee:

- (b) the social and economic impacts of changes proposed in the Basin;
- (c) the impact on sustainable productivity and on the viability of the Basin;
- (d) the opportunities for a national reconfiguration of rural and regional Australia and its agricultural resources against the background of the Basin Plan and the science of the future;
- (e) the extent to which options for more efficient water use can be found and the implications of more efficient water...;
- (f) the opportunities for producing more food by less water with smarter farming and plant technology;
- (h) means to achieve sustainable diversions limits in a way that recognizes production efficiency.

Announcements and commitments by Government relating to the MBDP

Since the release of the Guide to the proposed Murray Darling Basin Plan on 8 October 2010, additional research has been commissioned by the Murray-Darling Basin Authority (MDBA) to assess likely social and economic implications of proposals for the Basin Plan on local communities. The MDBA outcomes of that research are expected during March 2011.

This Inquiry and the inquiry by the House of Representatives Standing Committee on Regional Australia have been initiated and will report on the impacts of the MDBA's Guide to the Proposed Basin Plan.

The roles of the Minister and the Department in the development of response options to the potential social and economic impacts of the MDBP

The *Water Act 2007* enables the Australian Government, in conjunction with the Basin States, to manage the Basin's water resources in the national interest. The *Act* also sets directions for the creation and implementation of a Basin Plan.

The Government's approach to consideration of the potential social and economic impacts of the MDBP will include: engaging communities; creating a deeper understanding of the purpose of the water reforms in the Basin; awareness of the potential social and economic impacts (particularly in small, fragile communities); the development, in consultation with communities, of options for supporting economic development and diversification; and small business and other appropriate support during the period of ongoing change.

Regional Development Australia Committees will be important facilitators of community and stakeholder engagement so as to provide regionally-specific advice to the Government on these options.

The Minister has stressed to communities in meetings throughout the Basin that this process means developing strategies for sustainable growth in a more water constrained environment. He has also stressed that a lesson from the release of the Guide is that restoring the environmental health of the Basin rivers "can't be done in a one dimensional way". It must embrace the environmental sustainability, the economic sustainability and the social sustainability of communities. He is also encouraging stakeholders to think across local, regional and state boundaries. Importantly, the Minister has stressed the limitations of a 'one size fits all' approach and has stated his commitment to locally developed solutions to local problems where those solutions are viable. Additionally the Minister has emphasised that thinking creatively about solutions can extend to consideration of the potential regional applications of the National Broadband Network (NBN) to cover for example, e-commerce, e-health and e-education as drivers of economic development and to use the NBN to link like-minded communities.

Within Government a cross agency group has commenced examination of potential options for the Government's response to the social and economic impacts of the MDBP once it is released.

Consultation and engagement process with most affected communities

Since the release of the MDBA Guide, Ministers have met Basin industries, RDA Committees, local government and community members and representatives. The Minister

has held discussions with communities in the Basin in ten regional centres of Murray Bridge, Mildura, Bathurst, Albury, Wagga Wagga, Orange, Griffith, Dubbo, Toowoomba and Narrabri. In each of these areas he has met with local councils, community and farming groups and RDA Committees.

During these consultations stakeholders have raised many issues such as:

- considering a more targeted approach to water buybacks to reduce inefficiencies in the delivery of water to the remaining irrigators (commonly referred to as the ‘swiss cheese’ effect);
- recognition of prior works and measures invested by communities and state Governments;
- the roll-out of infrastructure investments, including the resolution of taxation issues impeding the roll-out of approved Private Irrigation Infrastructure Operators Program (PIIOP) in NSW;
- accounting and measuring environmental works and measures as a means of reducing the gap required to achieve the SDLs;
- recognition of the buybacks occurring at a state level;
- measuring the productivity opportunities that can be achieved through investment in infrastructure projects; and
- investment in research, development and extension activities to support more water efficient production systems.

Regional Development Australia Committees

RDA Committees are a partnership between all levels of government to develop and strengthen the regional communities of Australia. They will have a pivotal role in ensuring the long-term sustainability of Australia’s regions.

There are 55 RDA Committees and the charter for Regional Development Australia is at Attachment A. Of the 55 RDA Committees throughout Australia, 22 are all or partly within the Murray Darling Basin (refer Attachment B).

A key focus of RDA Committees is on the economic, social and environmental issues affecting communities and they are important contributors to and drivers of:

- regional business growth plans and strategies, which will help support economic development, the creation of new jobs, skills development and business investment;
- environmental solutions, which will support ongoing sustainability and the management of climate change (including the impact of drought, flood or bushfires); and
- social inclusion strategies, which will bring together and support all members of the community.

RDA Committees will play a pivotal role in channelling advice to Government on the social and economic impacts of the Basin Plan and on “bottom up options” for supporting regions through the change. Therefore in addition to the input from across Government, advice will come to Government from RDA Committees and local government.

The Minister has recently asked the chairs of RDA Committees in the Murray Darling Basin, likely to be most affected by the Plan, to assist in coordinating and playing a key leadership role in consultation within their respective communities on the social and economic impacts of the proposed Plan.

To facilitate this role there was a meeting between six RDA Committees in the southern Murray Darling Basin held in Echuca on 24 November. There was also a meeting between the NSW RDA Committees based in the MDB and the NSW Catchment Management Authorities (CMAs) in Sydney on 15 December.

RDA Committees will act as an important facilitator of community and stakeholder engagement with the cross agency taskforce, and support the development of options to foster innovation and effective investment strategies, as well as water conservation and productivity measures. RDA Committees may also capture issues of significance raised by local communities to inform Government consideration of the final plan. The consultations by RDA Committees will form part of the options development process to support the Government's consideration of its response to the Plan.

It is expected that the RDA Committees will meet the Minister in early 2011 to provide feedback on their engagement with local stakeholders and their progress with assessment of potential impacts and development of local/regional options for economic development and diversification.

The Minister is seeking region by region solutions to the issues facing local communities that will build industry productivity and strengthen local communities' economic diversification and resilience. Where it is appropriate RDA Committees could identify those industries and communities where the transition to a more water constrained environment is likely to be the focus of any response options developed by Government.

Conclusion

There are many Commonwealth agencies with a role in the development of the MDBP and the assessment of the environmental, economic and social impacts of the MDBP. The Department has, as its focus, the development of a whole-of-government approach to the development of options that could assist communities to respond to the social and economic impacts of the MDBP once it is completed.

A major input to the development of this whole of government approach will be the RDA Committees advice on locally-developed opportunities for economic development and diversification within regions likely to be affected by the MDBP.

The Department welcomes the opportunity to provide this submission to the Committee.



CHARTER

September 2009

Regional Development Australia is a partnership between the Australian, state, territory and local governments to develop and strengthen the regional communities of Australia. It will have a pivotal role in ensuring the long-term sustainability of Australia's regions.

Regional Development Australia will work with all sectors of the community, including women, young people, Indigenous Australians and people from a variety of cultural backgrounds.

A key focus of Regional Development Australia will be on the economic, social and environmental issues affecting communities. Regional Development Australia will be an important contributor to and driver of:

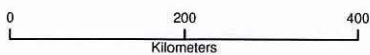
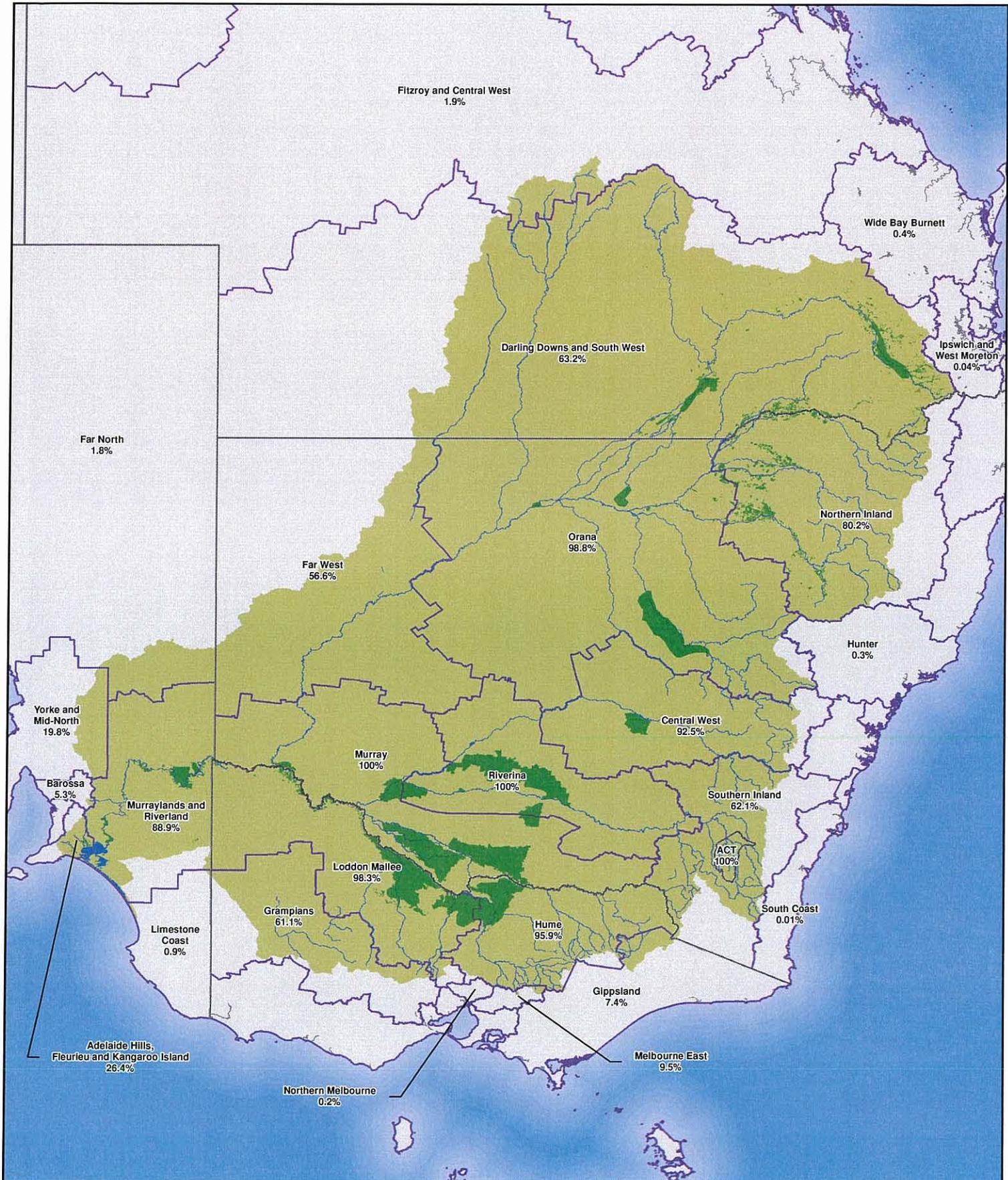
- Regional business growth plans and strategies, which will help support economic development, the creation of new jobs, skills development and business investment;
- Environmental solutions, which will support ongoing sustainability and the management of climate change (including the impact of drought, flood or bushfires); and
- Social inclusion strategies, which will bring together and support all members of the community.

Regional Development Australia, in consultation with the community, business, non profit organisations and all levels of government, will articulate local priorities, identify and align resources, engage stakeholders and promote solutions. In doing this, Regional Development Australia will support the growth and development of regional communities across the country.

Regional Development Australia will support, promote and disseminate information on government policy initiatives for the benefit of local communities. To this end, Regional Development Australia committees and Chairs will have a strong understanding of federal, state and local government policies and initiatives, and the ways in which local communities can engage with them. Regional Development Australia will take a leadership role in bringing together organisations to take advantage of government programs, policies and initiatives.

Regional Development Australia will be an effective conduit between governments and regional communities. It will enable all communities to provide input to governments about the strengths and weaknesses of regional Australia.

Percentage area of RDA's within the Murray Darling Basin



- Legend**
- Murray Darling Irrigation Areas
 - Murray Darling Basin Water Bodies
 - Coorong_Final
 - Murray Darling Basin Rivers
 - RDA Boundaries 2010
 - Murray Darling Basin

Prepared August 2010 by the Department of Infrastructure, Transport, Regional Development and Local Government using Local Government Area boundaries 2010 as supplied by the Australian Bureau of Statistics.

Second Edition: August 2010