



Our Ref: Environmental Management/Programs/Water Management

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Dear Sirs

RE: SUBMISSION – GUIDE TO THE PROPOSED BASIN PLAN

Murray Shire Council covers an area of 4,328km² in Southern New South Wales, with the Murray River being the southern border and the state border with Victoria. The Shire has an estimated resident population of 7,359 as at 30 June 2010. The area has experienced significant growth over the years, with an average annual growth rate of approximately 2%. However, over the last 10 years of drought this growth has been two-paced. Moama has grown significantly on the back of tourism; lifestyle relocation; and residential, commercial and industrial development in conjunction with the development in Echuca, Victoria.

A significant proportion of the industrial development is ancillary to rural production. For example, the following major factories rely on rural production – Byford Equipment, Nestle, Cedenco, Simplot and Heinz. These factories alone employ up to 800 people in peak periods. Significant reductions in water availability of the magnitude contained in the Guide would severely threaten many of these jobs and even the very viability of the factories themselves.

The balance of the Murray Shire Council area is rural based and there have been severe declines in rural population, social networks and rural production during the on-going drought. Farm units have become larger and some land holders have chosen to exit the industry, cashing up water entitlements as a result of water buy backs. Approximately 50% of the Murray Shire area is serviced by Murray Irrigation Limited (MIL) and direct advice from this company reveals that there has already been a loss of 18% in water allocations from the share holders of the company. The proposal contained in the Guide could decrease the total water availability through MIL by in excess of 50%. There are other smaller private irrigation schemes that service other parts of the Shire that have similar stories to MIL. Council has also seen serious social issues, such as mental health, as part of the drought and water buy back process.

In addition to the rural agriculture losses to the Shire, the community has been further devastated by the loss of the Red Gum timber industry as a result of the declaration of National Parks within the area. This declaration has seen the loss of a viable \$80M per annum industry to the region and associated social and economic downturn.

It is against this background, that Council makes its submission to the Guide issued by the Authority.

Economic Issues:

- The summary in the Guide indicates that there will be an \$800M loss in production and a corresponding job loss of 800 within the Basin, which is totally flawed. As can be seen from the information provided in the introduction to this submission, 800 jobs could be lost in Echuca/Moama alone.
- MIL service 750,000 hectares of land, which includes 1,200 farm businesses and 2,500 land holders. It employs 100 staff and has a turnover of \$40M. A 50% reduction mentioned in the introduction would devastate this area as a viable irrigation area and MIL itself.
- Typically, irrigation land are smaller land holdings and would not be viable as dry land units.
- The Deniliquin Rice Mill has been in recess in recent years and a recent announcement for its re-opening has been welcomed by the community. However, a continued decrease in water allocations will question the viability of the Rice Mill and flow on to the local communities involved, including Deniliquin and surrounding townships. There will be significant social and economic ramifications.
- Council is extremely concerned that as a result of water buy backs, that some farmers will exit, leaving stranded assets and the often referred to "swiss cheese effect". This will make future irrigation more costly for those land holders who are left in the industry.
- Council questions what criteria will be used to compensate all sectors of the community for the loss of economic activity as a result of the proposed water buy backs and irrigation cuts. It would not be just the land holders themselves, but the local communities and businesses will also be severely affected.
- Much discussion has been referred to the "swiss cheese effect". As an example, the Cadell Irrigation Scheme, which is located within the Murray Shire, has 20 members. If some of these members become willing sellers, then those who are left may become compulsory sellers and the Scheme would not be viable.
- Already within Murray Shire, there is a scheme in Mathoura which formerly had 14 members and now has seven (7). This reduction in members is already having severe economic impacts on the remaining members of the scheme.
- The whole issue is affecting, and will continue to affect, business confidence, which will in turn affect property values.

- Other legislation such as the NSW Native Vegetation Act have already put constraints on the development of land for agriculture, which has had adverse economic impacts.

Science:

- Council is of the view that any Murray Darling basin plan needs to be prepared on a holistic basis, which includes all of the extractions including Melbourne, the lower lakes, the Cotta Dam in the Australian Capital Territory and the Menindee Lakes. Any omissions of this nature undermine the credibility of a total basin plan.
- During community consultations, environmental scientists, such as Jennifer Marohasy and Dr Leigh Benson, have been put forward as providing alternative views to the science utilised within the Guide. It is considered that this work should be used in determining scientific issues.
- No information has been provided on how water will be delivered to the environment. There should be more research undertaken on engineering solutions to benefit the environment rather than overbank flooding. The Barmah Choke is a significant constraint in delivering water to the lower Murray and no information has been provided on these constraints.
- On Page 112 of the Guide, a series of maps have been provided on river health according to the volumes. It is considered that this information is based on pure arithmetic rather than any environmental or scientific reasoning. It is also understood that water volume is only one (1) of only 18 indicators of river health. It seems that the Guide is placing too much emphasis on water volume.
- Council does not accept that 3,000 Gigalitres is the starting point on the level of required water. There should be some recognition of all the buy backs from all programs at both State and Federal level.
- In addition, why aren't the water sharing plans that have been developed throughout the various catchments being recognised in this process?
- Council reiterates that there should be more innovation in managing environmental water. Council is aware that the Millewa Forest can be watered using engineering methods to maintain the health of the wetlands and the forest.

Social:

- It has been mentioned that there have been significant mental health issues involved with the on-going drought and buy back program. These issues have contributed to significant levels of suicide within the region.
- The effects on a small community can be devastating. For example, the Wakool township once had 12 tennis teams, two (2) cricket teams and buoyant local businesses. Today, these sporting teams and local businesses do not exist within the Wakool community.

Environment:

- Within the Guide there is emphasis on the river environment, but no real emphasis on the environment of the land that has been irrigated for many years. Irrigation has improved the environment of land within the region and has promoted its own environmental benefits. For example, the occurrence of major dust storms has reduced since irrigation commenced. Therefore, the environment consideration must include the land within the catchment, not just the rivers and the wetlands.
- Withdrawal of irrigation to these lands will promote degradation of these lands in the form of weeds and other pests, reducing available financial resources to maintain such land.
- Council questions the relevant authorities ability to manage environmental water, particularly in view of recent "black water" events that have led to fish kills and damage to the aquatic environment.

Consultation:

- Community consultation should be undertaken with the current socio-economic study. Without real consultation in this process, there will be no community buy-in to the information that is going to be developed. In addition, consultation in the next stages of the development of the Plan needs to take place in communities within the Basin.

Other Submissions:

- Council has been integratively involved with, and supports, other organisations and the development of their submissions. This includes the following:
 - Part of group of councils to sign declaration of concern in Parliament House Canberra on 22 November 2010;
 - Murray Darling Association;

- Riverina and Murray Regional Organisations of Councils;
- Murray Irrigation Limited; and
- Murray Group of Concerned Communities.

Obviously this issue is of significant concern to this Council, the community within the Council area, as well as all the communities within the Murray Darling Basin. In addition, the reduction in food production that will occur as a result of the withdrawal of irrigation is a national issue, which should be taken into consideration in the process.

Council looks forward to a more consultative and sensitive process from here on that includes its community and the communities of the Basin.

Should you require further information, please contact the undersigned on 03 5884 3302.

Yours sincerely

Greg Murdoch
General Manager

GJM/km

Copy: State and Federal MPs (as per attached list)

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Hon Greg Hunt MP	Shadow Minister for Climate Action, Environment & Heritage	Parliament House, PO Box 6022, Canberra ACT 2600 PO Box 274, Hastings VIC 3915	02 6277 2276 03 5979 3188	02 6277 8446	greg.hunt.mp@aph.gov.au
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