



The Council of The Shire of Bourke

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Committee Secretary
House of Representatives Standing
Committee on Regional Australia
PO Box 6021
Parliament House
Canberra ACT 2600

THE STANDING COMMITTEE ON REGIONAL AUSTRALIA IMPACT OF THE MURRAY-DARLING BASIN PLAN BOURKE SHIRE COUNCIL'S SUBMISSION

1. DIRECT AND INDIRECT IMPACT ON REGIONAL COMMUNITIES

1.1 Socio economic fallout during the process

The proposed Basin Plan aims to develop balanced environmental social and economic outcomes. The environmental outcomes will be very slow to deliver. However, the social and economic consequences are immediate. These include:

- The anxiety and concerns which have been expressed since 8th October are the beginning of this, with ongoing emotional, mental and interpersonal stresses obviously going to continue until a final determination is resolved. *(An indicator is our Local Pharmacist who now sells nearly twice as much medication for anxiety/depression related conditions as he sold 10 years ago). (See Attachment A).*
- We can expect immediate paralysis in any ability of any businesses within the Basin, whether directly or indirectly involved in water management, to develop and implement business plans, and
- Banks and other financial lenders have been accused of immediately adopting a worst case scenario risk assessment.

The Government and the Murray Darling Basin Authority should not and cannot ignore the socio economic consequences of the events the MDBA has put in place from the 8th October when the Guide was released until the date any final decision will be made. These consequences must be actively managed by the Government MDBA as part of the process for which they are responsible.

From observations across this valley during the decade prior to the decision on Cap, the period of indecision caused more socio economic fallout than the final decision itself.

A report prepared by Judith Stubbs titled *“Bourke Shire, NSW Case Study Exploring the relationship between community resilience and irrigated agriculture in the Murray Darling Basin: Social and economic impacts of reduced irrigation water, July 2010”* can be provided on request. This report clearly highlights the social and economic impacts of changing policy.

A primary message in relation to the Basin Plan is that we should not and cannot expect to see immediate or short term non human environmental outcomes for any change in policy, yet there will be rapid and long term socio economic changes from the policy interventions.

1.2 Closing the Gap

The Guide makes regular references to decrease in business, and therefore employment opportunities, and on P 98 it highlights that *“there is a greater likelihood that:*

- *Access to health services and education will become more difficult*
- *There will be less funds to maintain community infrastructure, and*
- *Social and community networks will come under increasing pressure”.*

All these outcomes are diametrically opposed to the Whole of Government commitment, policies and programs aimed towards “Closing the Gap” for our Aboriginal people.

If ever there is a need for a more balanced approach, this is one, rather than driving the people towards a need for a Northern Territory style intervention, whilst focusing solely on a single environmental agenda.

1.3 Human “givens” in the environment

The Guide is not consistent or transparent in its goals of identifying which communities are “protected” from intervention and which ones are to be affected. It implies that some concentrated aspects of human involvement are “givens” within the implied definition of environment, whilst the majority of human activities along the length and breadth of the system are not.

Examples of this implication include augmentation of the water supplies to two capital cities outside of the Basin, namely Melbourne and Adelaide, the man-made structures of Barrages at the mouth of the Murray and diversions at Menindee Lakes, and the large drainage systems into the Coorong.

The proposal should be more explicit on which human interventions are “givens” so it is transparent that some regional communities are protected, whilst others will suffer at their expense.

1.4 Toorale

The experience of the Commonwealth Government’s purchase of water entitlements from Toorale Station in 2008, with simultaneous purchase of the land as a National Park highlighted the direct and indirect impacts of a major buyback on a regional community. Using a variety of tangible and intangible indicators, it was estimated to have an overall negative impact of 10% on the Bourke Shire community and businesses.

Attachment B is a summary of a report prepared by Bourke Shire Council for the property Toorale in relation to an estimate of the input costs for the Toorale business operations. This report indicates that the annual input costs for the Pastoral and Irrigation Enterprises are at least \$4,700,000 excluding labour. The report makes comments in relation to the implications of Toorale being converted from a commercial business to a National Park or Conservation Area.

Detailed economic data can be provided to support this example on request.

2. OPTIONS FOR WATER SAVING MEASURES, WITH CONSIDERATION TO ANALYSIS OF ACTUAL USAGE VERSES LICENCE ENTITLEMENT

2.1 Give water sharing plans time to work.

Over the last decade or so, many valleys devoted years of consultation and planning to develop water sharing plans which had triple bottom line outcomes. In the case of the unregulated section of the Barwon Darling river system, this planning culminated in an agreement with the State Government in 2006, with annual licence entitlements being reduced from 523 GL to 173GL.

Despite Government commitments, a water sharing plan has not yet been finalized for this valley.

It is critical that the Water Sharing Plan agreement be finalized and given a time to run its due course before pre-empting that it will not deliver on the environmental outcomes expected, or pre-empting that the environmental outcomes will be less than now required under the Basin Plan

2.2 Focus more on water efficiencies, and less on buybacks.

Water efficiencies involve local stimulus spending, and the outcomes are likely to have positive socio economic outcomes, whereas money spend on buybacks is likely to leave the district, and the outcomes are likely to have negative socio economic outcomes.

- *From a Darling River system perspective, the State and Commonwealth Governments and MDBA must commit to modifications at Menindee, and for these savings to be modelled immediately, and taken into consideration as part of the claw-back, even if the modifications do not occur for several years.*
 - Modifications include purpose built efficient water storage for Broken Hill city, separation of storages between each lake, and priority storage in the deepest lake, with new works to allow it to drain completely into the Darling River.
- *Similarly, from a whole of Basin perspective, structural adjustment actions must be planned to occur for the Lower Lakes, and the modelled savings be factored into the claw-back considerations.*

2.3 IQQM

The MDBA and Independent Audit Group use information provided by the NSW authorities developed through use of the IQQM.

However, the IQQM provided flawed information. Further, it is in inappropriate model for annual monitoring.

In regard to the Unregulated Barwon Darling River system, the NSW Minister for Natural Resources agreed in 2006 that the IQQM data analysis would be reviewed, taking into consideration a number of factors. Despite this, no such review has formally been completed. Only on 22nd November 2010, the NSW Authorities casually informed some members of the valley community that a partial review has established a 14.5% error in the original analysis, and that additional parts of the promised review have still not been undertaken.

The simple message in this is that the analysed modelling information on which much of the Basin Plan considerations and conclusions have been made has been established to have significant errors, thereby leaving open to question the relevance of many of the assumptions and conclusions.

An alternative to the model currently in existence, the IQQM, must be found if annual monitoring through modelling of extractions is expected.

The IQQM was never designed for unregulated rivers, it is designed only as a long term indicator of change on regulated rivers, and it can only be applied retrospectively.

It is impossible for any industry to work cooperatively and prospectively with authorities reliant on such a monitoring tool.

2.4 Licence entitlement, Licence access and actual usage

Water buyback of licence entitlement is a very blunt tool on a highly variable flowing river system, yet the focus of the proposed Basin Plan is on buyback.

Water licence access is controlled through licence conditions determined through Water Sharing Plans. At least for the Barwon Darling system, the most significant conditions relate to commence to pump thresholds. These thresholds have been determined for each class of licence (based on size of pumps) for each section of river, thereby providing protection to certain flow conditions designed to achieve environmental outcomes.

Actual usage is determined by a combination of entitlement, access conditions and capacity to use the water even if available. The capacity to use is influenced by off-river storage capacity, financial capacity, need, and physical access to the pumps when needed. Off river storage capacities have been further regulated to minimize opportunities for growth.

2.5 Barrages near end of system

In summary, the environmental consequences created by white man interventions around the end of the system need to be identified and appropriately attributed.

There are then two choices, which need to be publicly stated.

One option is to directly address the causes, which would no doubt involve modifications to the white man interventions. This would be expected to involve major water saving measures and outcomes.

The alternative is to admit that the white man interventions are givens, and to accept the environmental consequences, perhaps with tweaking around the edges, but not expect to use wrong solutions in an attempt to address the accepted problems.

The Guide makes insignificant references to the Barrages near the end of the system, yet places significant emphasis on the environmental degradation around this site. As an example of the insignificance placed on the barrages, there is no reference to their construction in the timeline of significant events printed on Page 25 of the Guide. As an example of the emphasis placed in the Guide to addressing the environmental degradation around the site, Page 74 of the Guide proposes that 1,960 GL of the 3,000 GL of additional environmental water is to flow out of the Murray Mouth.

For the Guide to be a credible document, these issues need teasing out.

From our perspective, the following summarises these issues. Our Council will appreciate our perspectives being confirmed by the MDBA or your enquiry, or alternatively corrected, to allow for meaningful ongoing constructive communications:

- *The natural environment around the end of the system was that the Murray mouth, like every other coastal river in Australia, and presumably the world, was a “tidal estuary”, with the degrees of sea water encroachment up the river system and the degrees of freshwater outpouring into the sea directly correlated with the volume of natural freshwater flow coming down the river at any point in time. (It is understood that Matthew Flinders did not sight the Murray mouth during his circumnavigation of Australia and that Charles Sturt recorded salt water a significant distance upstream from the Murray mouth).*
- *In the natural environment, the level of water at the Murray mouth, in the Coorong and in the Lower Lakes was presumably always at approximately sea level. The water salinity in these areas varied significantly.*
- *In the natural environment, this consistency of depth ensured a degree of flushing of the Murray mouth, one way or the other. However, the natural environment also involved the actual Murray mouth varying in location due to ever changing movement of sand.*
- *The barrages were constructed approximately 75 years ago to change this natural environment, by providing a barrier to defend the encroachment of sea water up the river system. They were not built as a normal dam or weir, designed to maintain a regular depth of fresh water, rather their purpose was to allow the available fresh water to remain uncontaminated by salt water.*
- *There are obviously a number of environmental side effects from the intervention of the barrages, yet these do not appear to have been captured, or have been glossed over, in the Guide. (For example, Page 3 of the Guide quotes: “In 1981-83, the Murray Mouth closed for the first time since regulation of the river system, leading to an increased awareness of environmental water requirements, particularly during droughts”. It may have been just as relevant to have quoted: “In 1981-83, the Murray Mouth closed for the first time since the barrages were constructed”, and then questioned whether the barrages had any causal association.)*
- *There are also a number of socio-economic developments as a consequence of the “security” provided by the barrages. One of these appears to revolve around an expectation that there should always be a “weir” or “dam” of fresh water upstream of the barrages.*

- *From the information provided and easily available to the wider public, it appears that the “solution” proposed to address the environmental concerns at the end of the system will not address the primary cause. As such, there remains concern that in decades to come, there could be every reason to need to again address these environmental concerns.*

3. ROLE OF GOVERNMENTS, INDUSTRY AND RESEARCH IN DEVELOPING AND DELIVERING INFRASTRUCTURE AND TECHNOLOGIES

3.1 Model environmental flows, not diversions

If any modelling is to occur on an annual basis, it should be of environmental flows, not of diversions. The thrust of the Basin Plan is to achieve environmental flows under varying flow conditions, so if any modelling is necessary, it is these environmental flows; which should be modelled against predicted outcomes.

The IQQM is the tool currently used for modelling diversions, but it was never designed for unregulated rivers or for annual monitoring. It is designed only as a long term indicator of change on regulated rivers, and it can only be applied retrospectively.

It is impossible for any industry to work cooperatively and prospectively with authorities reliant on such a retrospective monitoring tool.

Annual monitoring and analysis of actual diversions may be appropriate, but modelling of annual diversions as an annual management tool is totally inappropriate, at least on unregulated rivers using the model programs currently available.

3.2 Are upstream diversions the primary cause of negative environmental symptoms in the Lower Lakes and Mouth of Murray region?

No compelling evidence has been provided to establish that upstream diversions are the primary cause of negative environmental symptoms in the Lower Lakes and Mouth of Murray region (end of system).

Conversely, no compelling evidence has been provided that reductions in upstream diversions on the Darling River system, no matter how great, will address the primary negative environmental symptoms at the end of the system.

By way of example, whether all diversions from the Darling River system were either terminated or left unchanged, there is little evidence that the environmental symptoms at the end of the system would be significantly addressed.

No confidence has been provided that if the proposed Basin Plan is implemented, even at the upper limit of 7,600 GL per year of additional surface water for the environment, then the environmental symptoms at the end of the system will be permanently addressed.

Put simply, it is easy to conclude that the proposed Basin Plan is using the wrong tools (wrong “causes”) in an attempt to address environmental symptoms at the end of the system.

3.3 Causal associations between human interventions and environmental degradations

There does not appear to be any references in the guide to indicate whether there is, or is not, any causal association between these accepted, or “given”, human interventions and the stated environmental degradations, yet the majority of the document focuses on human interventions throughout the remainder of the Basin system, avoiding references to these apparent “givens”.

It is critical that the actual “environmental concern” be clearly defined, its cause accurately established, and then ensure the strategies proposed will address the causes, not the symptoms.

3.4 Recognition of flow variability

Insufficient consideration appears to have been given to the importance of flow variability, particularly in the Darling River system. To some extent the Guide implies that flow variability may be a bad attribute needing to be addressed.

The natural variability in flows, particularly in the whole of Darling and Lachlan systems, (more northern systems), is far greater than the recommended reductions in the Basin Plan. Whilst this variability needs to be maintained, it provides greater opportunities to influence end of catchment flows and simultaneously contribute to responsible diversion approvals than any simple buyback strategies.

Hence it is more important for emphasis to be placed on managing diversion during different patterns of flow variability to deliver environmental outcomes than it is to focus on buyback of licence entitlement. Managing flow variability is achieved through effective water sharing plans and access entitlements. Buying out entitlements is a very blunt tool relative to the flow variability fluctuations.

3.5 Holistic Government responsibilities and representation

The Bourke Shire Council, like all other local governments across the Basin, has responsibilities for delivering on whole of government and community obligations, which fundamentally include environmental, economic, social and cultural balances. Our Council is committed to work with all other levels of government, and with all government and non-government agencies, in achieving these outcomes and balances.

By contrast, our Council will object to government reform which takes a silo approach without consideration of the holistic consequences.

The Bourke Shire Council is committed to work progressively, constructively and cooperatively with the MDBA and with all other levels of Government if the MDBA and Governments are prepared to work with Bourke Shire Council.

3.6 Separation of drought from Human impacts

There is no clear indication of the relative impacts of diversions compared to extended drought during the timeline in which the accelerating environmental degradation in the Basin has been apparently occurring.

There are strong references to the expanding water diversions, and over allocations of water extractions from the system, and this is acknowledged, and its significance not denied.

Some reference is made to the extenuated drought over the last decade, but little attempt has been highlighted to separate the relative effects of drought from over-allocation.

3.7 Carp

It is amazing that the entire emphasis of the guide is focused on water diversion considerations as the cause of all environmental degradation.

There is virtually no reference to the introduction of carp into the system during the same period as the allocations of water licences were increasing, particularly in the Darling system, or of any assessment of the role, if any, of carp as a contributor to the cause of the symptoms attempting to be addressed.

Hence the question must be asked: “What confidence is there that increasing the volume of water for environmental requirements, particularly at the Murray Mouth, will address the environmental symptoms if their cause is something other than diversion volumes?”

3.8 Alternative strategies to end of system flows

Increasing end of system outflows can be a bad indicator, and should not be the only indicator, in achieving environmental outcomes.

For example, a full river in the upper Darling catchment, without breaking its banks, may result in over 80% of the volume reaching the end of system outflow, whereas when there is a larger flow with over bank flood-out, maybe only 30 to 40% may reach the end of system outflow, yet the floodplain environment is enhanced. (The Queensland floods in March 2010 are a good example.) These floodplain soakage's need to be counted towards the environmental flows.

The points with this statement are:

- Strategies other than maximizing end of system outflows, such as consideration of maximum pump sizes and commence to pump thresh-holds, may be more beneficial, and
- Overland floodplain flows need to be attributed to environmental water.

3.9 Effective implementation

No matter what the final Basin Plan may look like, it is imperative that there are adequate resources pre-planned and committed to ensure its effective implementation. The experience with Cap implementation in the Barwon Darling valley is a salient example.

Coinciding with the announcement of Cap, the State Department undertook a staff rationalization.

As a consequence, four years later, there is still no accompanying Water Sharing Plan, no ability for trade, no continuous accounting or carry-over, and no full review of the IQQM, the model on which the entire change was based, despite all these being promised by Government as integral parts of the Cap decision.

There was also an assumed change of personnel in key places in the MDBC, which appears to have resulted in reversing a commitment to the agreed Cap strategy. The same mistakes on delivery should never be made again.

3.10 Climate change

The guide makes reference to climate change, and assumes a uniform across the basin negative river flow impact, recommending a 3% reduction in diversions.

It is asked what consideration has been given to the NSW Department of Environment, Climate Change and Water publication titled NSW Climate Impact Profile, which includes conclusions that:

- *“The intensity of significant flood events is likely to increase even when seasonal or average rainfalls are expected to decrease, and*
- *In the New England, North West and Western Regions of NSW, (which basically covers the top two thirds of the Basin in NSW,) run off and stream flow are likely to increase in summer and autumn, and decrease in winter and spring”.*

Presumably, similar research has been undertaken in the Queensland section of the Basin, and drawn similar conclusions.

3.11 Salinity

There appears to be some ambiguity in the Guide regarding references to salinity.

Recognition needs to be given to the fact that salinity is a natural occurrence in some parts of the system. For example, when Charles Sturt first discovered the Darling River near Bourke on 3rd February 1829, he wrote in his diary that: *“..... the looks of terror and disappointment with which they (the men) called to inform me that the water was so salty as to be unfit to drink”*. In 1892/93, Henry Lawson, in his poem, “The Song of the Darling”, quoted: *“The salt-springs bubble and the quagmires quiver, And -- this is the dirge of the Darling River”*. Obviously, these references to salt were recorded before any white man interference in the natural environment.

A very clear goal and strategy needs to be developed in relation to identifying and responding to natural environmental verses white man changes relating to water quality issues, such as salinity.

4. MEASURES TO INCREASE WATER EFFICIENCIES AND REDUCE CONSUMPTION

4.1 Menindee

As recorded above, From a Darling River system perspective, the State and Commonwealth Governments and MDBA must commit to modifications at Menindee, and for these savings to be modelled immediately, and taken into consideration as part of the claw-back, even if the modifications do not occur for several years.

- Modifications include purpose built efficient water storage for Broken Hill city, separation of storages between each lake, and priority storage in the deepest lake, with new works to allow it to drain completely into the Darling River.

5. OPPORTUNITIES FOR ECONOMIC GROWTH AND DIVERSIFICATION

5.1 Limited Capacity

It is essential to understand that in low rainfall areas of the Basin, land developed for intensive irrigation may have a negative value for any other purpose if the irrigation is terminated for any reason, including water buyback.

In low rainfall areas, it is not possible to convert the land to alternate uses such as dry land farming, grazing or conservation unless there are major capital investments made which would be far greater than the final value of the land.

Additionally, any final use of the land will be far less intensive, and therefore produce less economic productivity than the original irrigation use.

5.2 Match Buyback Investment with Community Investment

As an ambit claim, it would be appropriate for Government to make a \$ for \$ investment into “the Community” for every dollar spent on water buyback. This ambit claim was submitted by Bourke Council to the Government at the time of the Toorale buyback in 2008, but never responded to.

The following was the resolution submitted:

- *“For every dollar spent by the Commonwealth or State Governments on any of the programs for water buyback of active water or for expansion of land into the national reserve or national parks system, at least a similar amount of money should be committed by the respective governments for community adjustment to address the socio-economic consequences.*
- *The community adjustment programs should be developed in association with the local community.”*

6. PREVIOUS REFORM AND STRUCTURAL ADJUSTMENT

6.1 Betrayal and time to evaluate outcomes of policy change.

People involved with development of Cap implementation on the Barwon Darling feel betrayed by the lack of recognition given in the Basin proposal to their work on the unregulated Barwon Darling system, from Mungindi to Menindee, to deliver balanced environmental, economic and social outcomes.

Over a decade of representation and leadership was given by many people. Personally I was acting on behalf of the State Government, supporting the Commonwealth Government and MDB Commission’s drive for policy reform.

The process lead to massive reductions in licence entitlements and changes in access conditions along the Unregulated Barwon Darling system.

This was resolved in 2006, and introduced in July 2007, yet has had insufficient time to demonstrate its effectiveness.

There are three messages from this:-

- Firstly, much ground has to be made up to re-engage community people who have limited trust in Government reform commitments.
- Secondly, as stated previously, a primary message in relation to the Basin Plan is that in any system renowned of its massive variability, we should not and cannot expect to see immediate non human environmental outcomes for any change in policy, yet there may be rapid socio economic changes from the policy interventions.
- Thirdly, whilst NSW took this action over a decade, culminating with retrospective decisions announced in 2006 without “compensation”, Queensland, on the same river systems, deferred their starting point, such that any similar constraints in the future will be eligible for “compensation” through buyback arrangements.

6.2 Toorale Experience

In again quoting the Toorale buyback experience in 2008, attachment C is a proposal put to Governments by the Bourke Shire Council seeking structural adjustment support. None of these recommendations were responded to, nor considered by Governments.

7. GENERAL POINTS REGARDING THE PROPOSED BASIN PLAN

7.1 International moral obligations

An implication of the Guide proposal is that we must protect the basin in our own back paddock of Australia, even if this means less production of food and fibre on our own continent, with the need for increased imports from overseas.

Because “overseas” is not in our back yard, we do not care or question if the imports are from third world countries or other communities which are seriously degrading their environment, or exploiting their people.

Morally, this is totally unacceptable.

Ethically and morally, it is far preferable for us to be in control of our own destiny, which can be achieved through acceptance of an effective balance of economic, social, cultural and environmental considerations.

7.2 Complex system requires complex solutions

The Guide contains a lot of detailed information, highlighting that the Murray Darling River system is a very complex. From this, it is logical to conclude that the management of the Murray Darling River system is similarly a very complex matter.

It is disappointing that a simplistic proposal is that a singular outcome to overcome all the apparent problems (environmental degradations) is to increase the water flows to the end of the system, ultimately to the mouth of the Murray.

7.3 Accelerating degradation

The guide uses words such as “*accelerating environmental degradation in the Basin*” (P4) and “*unless action is taken now, the Basin and its communities do not have a long term*

future, and consequently face irreversible decline in the environmental health, and in turn the economic strength of the Basin” (P25).

However, the Guide is not convincing that there is this accelerating degradation, or irreversible decline, certainly no worse than in all other parts of our continent. There is continuous change within the Basin, as there is in every part of the planet, whether occupied or unoccupied by humans. It also accepted that there has been a degree of over allocation of licences.

How does the rate of accelerating environmental degradation and irreversible decline in the Basin compare to that of the environmental health of our capital cities or any other part of our continent? Is this another case of the voice of the 17 or 18 million people in our capital cities avoiding looking in their own back yard, but wanting to influence change elsewhere?

7.4 Definition of “environment”

We are fooling ourselves if we believe that human beings are separate from the environment, and not an integral part of it. Why is it that *“invertebrates, fish habitats, and bird foraging and breeding”* can all be classified as part of the environment, yet people are not?

If “environment” is not defined in the Water Act as including people, it should be.

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Encl.

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An Outback icon since 1878

Submission to the Murray Darling Authority – November 2010

1. The importance of discretionary spending: a 'real' economy is essential for survival of small communities

- 1.1. The Towers Drug Co is Bourke's only pharmacy and has operated continuously for the last 142 years since 1878.
- 1.2. The pharmacy business can be thought of as in two parts: dispensary and non-dispensary.
- 1.3. *Subject to population stability*, the dispensary (prescriptions) part of the business is the largest part and the most consistent: it attracts customers and results in a majority of sales but it also has the highest costs and, for 87% of dispensary sales, prices are capped by the PBS.
 - 1.3.1. Because it is subject to economies of scale, dispensing costs vary with prescription (script) volume/throughput, and therefore population levels, and are susceptible to population fluctuations which affect prescription volumes¹.
 - 1.3.2. In Bourke, the small population has meant that there have never been high enough volumes of prescriptions for the dispensing to be commercially viable *in its own right* and so the dispensary has never generated an adequate return *per se* to justify the pharmacy investment: additional sources of income have always been required.
- 1.4. The 'non-dispensary' part of the business – including Pharmacist-Only and Pharmacy-Only medicines, and also health and beauty products and 'non-pharmacy' sales – is the most critical for overall profitability as it provides the extra profit that financially justifies the pharmacy investment as a whole.

¹ In other words, the per item cost of dispensing is dependent on prescription volume per unit of time – the higher the prescription throughput, the lower the per-item cost; the lower the throughput, the higher the per-item cost

1.5. Non-dispensary purchases are essentially discretionary purchases and so non-dispensary profitability therefore depends heavily on peoples' *discretionary spending*. This is clearly illustrated by the following:

1.5.1. To make an adequate overall return on investment, the pharmacy requires an average non-dispensary sale of around \$24 per customer visit. In our non-dispensary business we can detect three basic customer types each with its own discretionary spending pattern:

1.5.1.1. *Pensioners and other welfare recipients*² spend an average of less than \$9 on non-dispensary items. These customers make up more than 50% of total pharmacy visits annually but account for less than 20% of non-script/discretionary spending.

1.5.1.2. *'Employed locals'* have an average non-dispensary spend of over \$30. These are around 40% of customer visits annually resulting in over 55% of non-script/discretionary spending.

1.5.1.3. *Tourists* have an average non-dispensary spend of over \$65. Although they are less than 10% of total annual customers, they are responsible for around 25% of non-script/discretionary spending.

1.5.2. *'Fly-in-fly-out'* workers – an increasingly prevalent way of providing essential services to smaller remote communities like Bourke – tend not to shop in Bourke and so make negligible economic contribution to the pharmacy. They earn money here, but they spend it elsewhere: for every 'local resident' job that is replaced by a 'fly-in-fly-out' job, wealth is actually *removed* from the local economy.

1.6. From this it can be seen that a 'real' local economy – i.e., providing *real jobs*³ to local residents who spend their money locally – is critical to discretionary spending in the pharmacy, which in turn is essential to the pharmacy's viability. The same is true for tourism.

1.6.1. The basis of Bourke's 'real economy' is agriculture, particularly irrigation. Apart from government services such as police and public education; agriculture (>\$100M p.a.) and tourism (\$21M p.a.) are the main local wealth generators – i.e., the main local industries that import 'real' income into the local economy – and they are the only such industries to provide the continuous or near continuous employment that causes workers to be 'locally resident'. These two industries therefore underpin discretionary spending in local businesses.

² Includes welfare supported jobs such as CDEP 'work for the dole'

³ Does not include welfare supported jobs such as CDEP

- 1.6.2. Irrigation currently supports around 500 'real jobs' in Bourke and generates over \$50M in direct income to the local economy and is critical to supporting the discretionary spend that makes the pharmacy viable.
- 1.7. Since 'continuously employed locals' are the basis of discretionary local spending and irrigation workers and their families are the largest such group, discretionary spending will start to dry up as skilled irrigation workers leave. Businesses such as the pharmacy that depend on discretionary spending will also start to fail and the town will start to lose other skilled workers and the services and amenities which depend on them.
- 1.8. A certain minimum level of economic activity is required to retain workers – particularly skilled workers and professionals – *as local residents* who spend their money locally. Like in many other local industries and services, if irrigation falls below a critical level, skilled resident workers and professionals will leave the area and/or be replaced by 'fly-in-fly-out' contractors or seasonal workers who make little net contribution to the local economy.
- 1.9. Water buy-backs will simply hasten this process by providing a direct financial incentive for irrigators to disinvest and leave the district thus hastening the demise of the pharmacy and other health, social and economic infrastructure.
- 1.9.1. Following 67% water cuts, irrigation in Bourke is already perilously close to the critical level below which it will collapse and its skilled workers will leave. Irrigators are close to the point where they will become 'willing sellers' – at this point, there will be a rapid disinvestment in irrigation with large 'multiplier' effects in the rest of the community.

Recommendation: there should be an immediate moratorium on water buy-backs in the Barwon-Darling section of the basin until after the final Plan and a full economic and social impact assessment.

- 1.10. It is not only workers employed *directly* in irrigation who will leave the local economy if irrigated agriculture reaches a 'tipping point'.
- 1.10.1. For example, 5 out of 6 of the pharmacy's current employees have partners employed in the irrigation industry. For each one of those partners who lose their job and moves away, the pharmacy will lose a skilled employee as well. It is virtually impossible to recruit qualified pharmacy assistants locally and it takes a minimum of 18 months to train someone to an adequate (Certificate 3) standard.

1.10.2. With the loss of such skilled *non-irrigation* workers, essential services & amenities, including those essential to tourism, will be lost and more & more skilled workers & professionals will choose to leave. The people who leave first will tend to be the ones who can most easily obtain work elsewhere. These will tend to be the people and occupations in most demand Australia-wide, therefore the best remunerated with the highest 'local discretionary spend' and who are also most critical to local service provision, including essential services such as health and education and 'wealth generators' such as tourism.

1.11. The result will be a vicious cycle that ends in an essentially unviable community, containing only a residual population largely dependent on welfare, with essential public services increasingly provided on a fly-in-fly-out basis (and therefore not contributing fully to the local economy), that cannot support a viable pharmacy or any other businesses dependent on discretionary spending.

2. Imposed economic decline damages peoples' health and works against government priorities in rural and aboriginal health

2.1. Bourke already suffers a profound health disadvantage compared to Australia as a whole. This disadvantage is closely correlated with aboriginality, educational status and welfare dependency.

2.1.1. *In other words, educated professionals and skilled workers in Bourke tend to have health status that is comparable to Australians as a whole, whereas aboriginal people, welfare recipients and people with low education have a health status much worse than the typical Australian. This is the unanimous view of health professionals working in the local area.*

2.1.2. As services decline, it is these most disadvantaged Australians who will be most adversely affected

2.2. Additionally, *access* to health services for Bourke residents is far worse than for most Australians. For example:

- Having a baby involves the mother travelling at her own expense to Dubbo (4 hours drive away) up to a month before the estimated delivery date and staying there (again at her own expense) for the confinement.
- Potentially life threatening dental infections commonly remain untreated for weeks due to lack of available dental care.

- Patients with serious injuries, including head injuries, have often been denied patient transport, requiring them and their families to arrange private transport to Dubbo to access essential diagnostic services, etc.
 - Cancer sufferers have to travel to Sydney (a 10-12 hour drive since Bourke has lost its air flights) or elsewhere for treatment
- 2.3. Any further damage to the local economy will damage the health of an already profoundly unhealthy community at a time when various other government efforts, such as the COAG 'Closing the Gap' initiatives, are trying to address this appalling health disadvantage.
- 2.4. To give a simple indicative example of the impact of economic decline on *mental health*; during the recent prolonged drought, according to the pharmacy's drug usage records:
- per capita antidepressant use in Bourke rose by 70%
 - per capita prescription analgesic use rose by almost 80%
 - per capita non-prescription analgesic use rose by 40% and
 - per capita narcotic analgesic use rose by 100%.

Much of this increase occurred in 'no irrigation' years. Further economic damage and population loss is likely to make this situation even worse.

- 2.5. This however is simply an easily understood 'one-off' example— the likely impact of further economic damage on health services is likely to be *much more* insidious and *even more* damaging and will occur in at least four ways:
- A. There will be increased rates of illness and disease, along the lines described in the example above concerning antidepressant and analgesic use. This will not be confined to mental health however: levels of diabetes, cardiovascular diseases, renal failure and other diseases will also increase as peoples' diets deteriorate and levels of exercise, self-care and other preventive measures decline
 - B. Treatment-seeking behaviour will also decline, due to self-neglect, depression and apathy, leading to higher morbidity and mortality in all disease areas but particularly diseases such as cancer and serious infections that are most amenable to early intervention.

- C. It will be increasingly difficult to attract resident health professionals to a community with declining social infrastructure, making it even harder for patients to access appropriate care. Increasing business uncertainty and/or stress also mean there is a high possibility that existing resident health professionals will disinvest in the community and not be replaced, creating a permanent 'access to care' deficit.
- D. There is a heavy *interdependence* between the three 'core' health services in the town – the local GPs, the hospital and the pharmacy⁴, and a strong *dependence* on all three by the remaining health services, such as community nursing, mental health, drug & alcohol, residential aged care, allied health services, aboriginal health services, diagnostic imaging, visiting medical specialists, etc.
- D.1. The three core health services of GP, hospital and pharmacy are dependent on attracting and retaining resident GPs, nurses and pharmacists respectively: this is already especially difficult to do and will be made much worse by any further economic decline.
- D.2. At the moment, there is barely enough GP, pharmacy and hospital care capacity to meet the current modest levels of locally available care
- D.3. It is more than conceivable that one of the three core services will fail or be reduced to a level that causes the others to reduce services, for example,
- Loss of GPs would affect the hospital's viability by reducing availability of visiting medical officers (VMOs), and reducing the viability of the pharmacy through a reduction in prescription volumes
 - Closure of the pharmacy would result in lack of ready access to a full range of medicines, affecting prescribing practices and availability of non-ward-stock medicines to hospital inpatients, reducing the feasibility of admitting certain patients. It would also force GPs to dispense prescriptions thus massively increasing GP workload for little return and effectively reducing peoples' access to local GP services.
 - Closure of hospital beds would substantially reduce GP's 'VMO' incomes, making it harder to retain local doctors
 - Loss of any of the three 'core' health services will also result in a downward service spiral with doctors, pharmacists and nurses reassessing their

⁴ According to Dr David Sutherland of the Rural Medicine Unit at UNSW, health services in a country town can be likened to a three-legged milking stool – the local GPs, hospital and pharmacy are each one of the three legs of the stool and all other health services make up the seat. Take out one leg of the stool and the 'health system' of the town 'falls over'

economic prospects and deciding to move away from and/or disinvest in the Bourke district, and more and more services becoming unviable.

- Substantial service cutbacks by any of the three core services will also result in failure of other health services – for example, the Aboriginal Health Service and both aged care residential facilities would fail without the support of either the local GPs or the pharmacy. Most visiting medical services will become unviable without the support of all three ‘core’ local health services. And so on.

2.6. Without adequate health services, the already disadvantaged, such as the aboriginal community, would be further adversely affected, to the extent that living here would become a practical impossibility for many

2.7. A failure of irrigation in Bourke would therefore likely result in catastrophic health outcomes, rapid loss of skilled population and services and overall population loss, including the need for many aboriginal people to move to areas far removed from their traditional lands.

3. The Authority must take account of ‘lived experience’ in the Basin in challenging the accepted ‘truths’ of the limited available science

3.1. As someone with training and experience in both the medical/biological sciences and business & economics, and with a decade of lobbying experience in Canberra, I am reasonably familiar with complex, ambiguous and uncertain systems and models.

3.2. It was very clear from the Authority’s consultation meeting in Bourke that the models so far underpinning the Authority’s work do not coincide with the experience of the professional land managers living *in this part of* the Basin. This should ring loud alarm bells for the Authority and it was good to detect in the Bourke meeting that at least some Authority members are aware of this fundamental ‘disconnect’ between the scientific models and lived experience.

3.3. *Lived local experience* for many of us here goes back 150 years and, in the case of the Ngemba and Barkindji people, much longer. That experience includes longstanding environmental concerns – for example, my own family was making efforts to fence off watercourses in its grazing land as early as the 1940s

3.4. Lived experience *in this part of the Basin* seems dramatically different to the models and accepted truths of visiting scientists and metropolitan voters. In our experience, the rivers and land are healthier than most people imagine, *and getting better*, at least here around Bourke. For example:

- Every time there is a fresh flow in the river, the fish bite in the same large numbers that they did many years ago, giving lie to the claim that native fish numbers have been reduced by 90%. As a result of fencing watercourses and other improved land-management practices, the river country has never been better. The banks are well-vegetated, the giant red gums are recovering after the drought and new ones are shooting.
- The feral carp that we all know have done so much damage to the river over so many years now seem to be in decline. As a result, native water weeds are making a comeback in the river and we are catching catfish again – a species we had been told never to expect to see again.
- Genetic engineering of crops, the move away from annual cash crops to horticulture and strict farm management plans for the last 20 years mean less spraying and a healthier river.
- The cod, the perch, the yabbies, the red-tailed black cockatoos, the shrimps, the clams, the frogs, the snakes, the ducks, the pelicans, the cormorants and all the other many species that depend directly on the river – all of them have been here all along.
- Earlier this year a wombat was discovered near Bourke – this had never been recorded before. We know there are koalas up on the Culgoa and out on the Paroo.
- Right now about one Sydney Harbour flows past here every week-and-a half and it's only a 'half banker'.
- Biodiversity seems to be increasing. A pair of pale headed rosellas normally seen around the Darling Downs has been breeding on the river near the Back-of-Bourke Exhibition Centre for several years. Snake species normally confined to higher rainfall areas have been repeatedly identified here in recent years. Plants that haven't been seen in 50 to 100 years are being identified again.

3.5. We who live here know about these things but no-one else seems interested. We wonder why no-one else is interested in 'our' reality and our lived experience. We wonder why the scepticism that is the basis of all science seems to be absent when it comes to questioning the untested pseudo-scientific models that have been put forward. We wonder whether this is because this is not really about 'science' so much as about some peoples' political agenda. We think it would be tragedy if decisions were made on a political, rather than true scientific, basis.

4. Any economic interventions should be responsible and constructive

4.1. The Authority has noted that of the consultation meetings it has conducted so far, the Bourke meeting was one of the most positive, constructive and helpful. I would like to suggest to the Authority that this was no accident but rather, reflects the Bourke community's unity and *professional concern to manage the river sensibly*.

4.1.1. Bourke is not a short-sighted community with fast business operators determined to make a quick dollar by exploiting available resources in the short term. Rather, it is an intelligent, reflective and cooperative multi-racial community that is conscious of its history – particularly its historical contribution to Australia's economy and its cultural legacies – and determined to contribute to its own and the nation's future.

4.1.2. Bourke is a community which is in no doubt that the river is essential to our long-term survival and prosperity and we are vitally interested in its sustainable management. We are proud of our economic, social and environmental responsibility, expertise and resilience, and we are determined to carry these things forward into the future.

4.1.3. To many in the Bourke community, it seems that we and the Authority actually have similar objectives. In this light, the concerns expressed at the Bourke consultation meeting reflect our grave and considered concerns about the scientific basis of the Plan, the (lack of) overall management responsibility for the Basin and our part of the Basin in particular, and our concerns and fears over the implementation of previous, current and future water management initiatives.

4.2. It is more vital than ever not to 'rush to the wrong solution' in managing the Basin, or in managing parts of it. Stability and a managed approach are essential to prevent the catastrophic short- to medium-term collapse of health, social and economic infrastructure described above, which – once lost – is unlikely ever to be retrieved.

4.3. It is a fundamental principle of scientific management that decision makers should base their decisions only on scientifically reliable and stable data, rather than 'short trend' or 'outlier' results that are unlikely to be indicative of the true situation.

4.4. As anyone who has lived on the Darling near Bourke knows, the natural variability of river flows follows a cycle of at least 20 years, and probably much longer. Any modelling *must* reflect this: if it does not, it is *guaranteed* to be wrong and *guaranteed* to result in a wrong decision. This is not a 'nice to have': it is a minimum requirement without which good decisions simply cannot be made.

Recommendation: In the interests of good decision-making, modelling needs to reflect the variability of river flows over the 20 – 50 year ‘natural cycle’

4.5. Also, previous water management interventions in this part of the Basin have not been given a chance to work. This creates unnecessary economic instability that can only be damaging to communities such as ours.

Recommendation: In the interests of economic stability and good decision-making, the water management arrangements already in place should be given a reasonable chance to work.

4.6. The Authority should also give careful consideration to the type of economic intervention made in this part of the Basin in the immediate and medium-term. As previously mentioned, water buy-backs will be particularly destructive for this part of the Basin, resulting in permanent loss of economic and social infrastructure and they should not be considered except as a last resort.

Recommendation: there should be an immediate moratorium on water buy-backs in the Barwon-Darling section of the basin until after the final Plan and a full economic and social impact assessment.

4.7. Irrigation *infrastructure investments* on the other hand, necessarily have an economic *stimulus* effect on local communities while also resulting in water savings.

4.7.1. There are opportunities – particularly at Menindee Lakes – to achieve large water savings through infrastructure investments and relieve some the current unnecessary pressure on upstream water users.

4.7.2. Also, in this part of the Basin, Land Managers have already been working to achieve better water usage for many years and more could be done with enlightened economic assistance. Such investment should not be wasted through water buy-backs, but should be supported through infrastructure investments, with a view to achieving an economically and environmentally sustainable local irrigation industry.

Recommendation: there should be an immediate effort to identify specific infrastructure investments that will achieve maximum water savings in the Basin, and also to identify infrastructure investments that build on the current efforts of local irrigators to improve water utilisation and reduce losses

Thank you.

Peter W A Crothers, BPharm, GradDipHospPharm, MBA, FPS, FACP

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REPORT

Prepared by

BOURKE SHIRE COUNCIL

For the property

TOORALE

In relation to an

ESTIMATE OF INPUT COSTS

For the

TOORALE BUSINESS OPERATIONS

This report indicates that the annual input costs for the Pastoral and Irrigation Enterprises are at least \$4,700,000 excluding labour.

The report makes comments in relation to the implications of Toorale being converted from a commercial business to a National Park or Conservation Area.

The Business Owners in Bourke estimate that this will result in at least a 10% net impact on the economy of Bourke.

G Wise
General Manager
Bourke Shire Council

21st September 2008

B. IRRIGATION INPUT COSTS

IRRIGATED GRAINS

IRRIGATED WHEAT

• Variable costs	\$1,002,153	
• Freight	\$ 193,072	
• Total wheat - variable costs and freight		\$1,195,225

IRRIGATED SORGHUM

• Variable costs	\$ 225,045	
• Freight	\$ 203,175	
• Total sorghum - variable costs and freight		\$ 428,220

IRRIGATED MAIZE

• Variable costs	\$ 118,281	
• Freight	\$ 147,900	
• Total maize - variable costs and freight		\$ 266,181

IRRIGATED COTTON

• Variable costs	\$1,287,860	
• Freight to Bourke Gin	\$ 112,480	
• Total cotton - variable costs and freight		\$1,400,340

MULCHING ALL STUBBLES

• Mulching costs		\$ 77,362
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STEEL and EQUIPMENT HIRE

\$ 40,000

TOTAL IRRIGATION INPUTS CONSIDERED ABOVE \$3,407,328

DIESEL USAGE ON FARM for IRRIGATION \$ 969,000

- Note that some of these diesel costs are also included in the variable costs for the various enterprises. Hence they are reported separately.

TOTAL OF IRRIGATION COSTS IDENTIFIED ABOVE

(Range \$3,407,328 to \$4,376,328) **Estimate say \$4,000,000**

COMMENTS

- Virtually no consideration has been given to labour costs, and no attempt has been made to determine the number of people directly or indirectly employed.
The variable costs are derived directly from the data published by Clyde Agriculture in the sales brochure for Toorale, and from the Department of Primary Industries Gross Margins publications on the web. The DPI publications specifically state that “labour is not costed” within their variable costs.
- These figures only apply to the input costs for primary production. They totally ignore general farm management maintenance, or profit or living costs, which all transfer directly to the local economy of less specialist rural businesses such as food, household contents, general farm supplies, fuel, personal needs and entertainment.
- The figures also totally ignore allied cash flow, such as tourism (eg fishing), sponsorship (eg Louth races), community support (eg sporting teams) and community service (eg volunteers).
- The figures totally ignore multiplier effects which are traditionally considered in economic modelling. For example, major flow on effects can be expected to service industries (eg schools, hospitals).
- Toorale has historically been one of the three or four major non-government contributors in eastern Australia to rural skills training for the Australian Pastoral Industry, with a significant proportion of station managers throughout the industry having been trained on Toorale. Clyde Agriculture regularly uses Toorale as a location for specialist skills training for all their staff from all their properties. Apart from the unquantifiable value of these enhanced intellectual and manual assets across the industries, the concentration of people in the shire for training contributes financially to the local economy.

- **Impacts of Toorale relative to the Bourke regional community:**

- Toorale's water licences represent approximately 14% of the total water licences in the Bourke Shire on the Barwon, Darling and Warrego rivers.
- Toorale's sheep represent over 7% of the total sheep population in the Bourke Rural Lands Protection District (equivalent to the Bourke Shire) in 2007 (the most recent available figures). It is predicted that this percentage would currently be much higher.
- Toorale's current adult cattle numbers represent over 8% of the total cattle population in the Bourke Rural Lands Protection District (equivalent to the Bourke Shire) in 2007 (the most recent available figures).
- Toorale contributes significantly to the employment through permanent, temporary casual and contract employment of up to 100 people, which therefore translates to approximately 100 families. ABS figures identify that there are only 720 families in the Bourke Shire. This provides a context for the significance of the employment impact within the shire.
- Toorale Council rates are 4% of the total Bourke Shire Council general rates levied each year. These rate payments will cease with a National Park.
- Currently 14 or 15 National Parks and Wildlife staff are employed in Bourke to service three locations involving a total area of 177,342 hectares of National Parks in the Bourke Shire and 37,000 hectares of National Parks outside the Bourke Shire. With the increase of 91,383 hectares in Toorale (42% increase in area to be serviced, all of which is highly concentrated in one area and therefore easier to manage), and with unlikely need to increase either management or administration positions in National Parks and Wildlife, it is logical to assume that an increase in the Bourke Shire of less than 5 or 6 permanent National Parks and Wildlife staff will occur. However, even if 10 to 15 extra full time National Parks

and Wildlife staff are employed, this falls far short of the employment generated by Clyde Agriculture on Toorale.

- The natural wetland environment of the Warrego floodplain on Toorale is a recognised major breeding ground for feral pigs within the Shire. Extensive resources are required on a continuing basis to maintain control of this pest to avoid spread throughout the shire. If this control is not effective it will place significant unwarranted additional cost and time burdens on other landholders.
- Clyde Agriculture has had a company principle of buying and spending locally. This has been exemplified by having located their head office in Bourke for many years. Consistent with this principle, a very large proportion of all input costs identified in this report could be expected to be verified as being spent locally.
- It is acknowledged that not all input costs identified in this report apply totally to cash flow in the Bourke community. The main exceptions are shearing and harvesting contractors, ram and bull suppliers and veterinary services. However, these contractors do spend an amount of the locally earned income in the Bourke community.
- Historically a significant number of amateur fisherman regularly use Toorale for fishing and yabbying. These people contribute to the economy in the shire. Unless this access is maintained, there will be a further loss from the district by loss of this “tourist” leisure activity.
- **The Business community has difficulty in quantifying the impacts the loss of Toorale as a commercial property will have on their individual businesses, but a recent gathering of Business owners has expressed a view that a net 10% negative impact is a realistic estimate.**

- **Importantly, there is grave concern that because all businesses in Bourke are currently operating at bottom line, skeleton staffing levels, any further reduction in their business may place them below a critical operating threshold.** This has already occurred in Bourke in the last twelve months with the closure of two of the three supermarkets and of one fuel outlet. Further, the RSL Club and a tyre business have gone into liquidation.
- This report has purposely been compiled by separation of the Pastoral Enterprises from the Irrigation Enterprises. This approach has been taken to highlight the relative effects of;
 - the water buyback, considered as being primarily the agenda of the Commonwealth Government, and
 - the initiative to convert the pastoral component of the property to a National Park or conservation area, considered as being primarily the agenda of the State Government.
- The information in this report has been put together in a very short period of time, and as such warrants scrutiny. It has been highlighted throughout this report that many considerations have not been included. The author has chosen not to approach any representative from Clyde Agriculture for actual data, to avoid any perceived conflicts of interest.

The primary sources of the majority of the data have been from:

 - The sales brochure for Toorale
 - Department of Primary Industries Gross Margins publications.

Other data has been obtained from:

 - Locally obtained contract rates for routine activities
 - Locally quoted production figures
 - Actual supply sources.

The author would encourage anyone who wishes to verify this report to request actual data from Clyde Agriculture.

The author will welcome discussion on any aspects of this data for clarification.

TOORALE
FUTURE OPERATIONS
and
STRUCTURAL ADJUSTMENTS
to deliver
SOCIO-ECONOMIC OFFSETS
for
DE-COMMISSIONING the IRRIGATION.

FUTURE OPERATIONS OF TOORALE

- **DESIRED OUTCOMES for TOORALE**
 - Irrigation water returned to environment and irrigation area usage decommissioned but infrastructure maintained as historic site
 - High value conservation areas maintained
 - Multi-purpose objectives established across whole property
 - New land managers contributing to the total community
 - Maximise the diversity of outcomes available from this diverse property
 - Minimise the negative consequences of a single purpose property
 - Minimise ongoing operating costs to Government

- **FUTURE MANAGEMENT AND USE OF TOORALE**
 - **Establish Toorale as an Arid Zone Climate Change Research, Training and Demonstration Centre**, and manage the property to address a mixture of outcomes
 - Aim for a variety of responsible, compatible, multiple purpose objectives
 - Identify critical areas to be managed for conservation (in accordance with the commitment that some purchase funds were to establish a national reserve).
 - Maintain the “McCaughey scheme” as both cultural history and as a conservation area for the species which have colonized in the area during over a century.
 - Decommission the modern irrigation to an extent that it does not adversely impede natural water flow, but keep the remaining irrigation structures as a long term history of modern farming.
 - Use the funds which would otherwise have been spent on totally levelling the irrigation development for more constructive socio-economic outcomes.
 - Allow selected areas of the property to be used for controlled grazing
 - Accommodate other uses, such as tourism, fishing, mining and quarrying
 - Use the property as a significant site for cultural and skills training.

**STRUCTURAL ADJUSTMENTS
to deliver
SOCIO-ECONOMIC OFFSETS
for
DE-COMMISSIONING the IRRIGATION.**

- DESIRABLE OUTCOMES
 - Deliver an integrated regional strategy to address social, cultural, and economic needs in parallel with environmental needs.
 - Priority focus on increasing employment
 - Minimise negative impacts to community
 - Minimise negative impacts to Shire
 - Maximise the opportunities to simultaneously address the social problems in the Bourke community

- STRATEGIES TO OFFSET COMMUNITY IMPACTS

- **Re-establish irrigation properties with permanent plantings around Bourke to generate employment.**

Action: Commonwealth and State Governments work with private enterprise and local community to re-establish the irrigation properties with permanent plantings around Bourke which have been most water efficient users and largest employers of unskilled labour on the Barwon Darling River system. (Eg Back O' Bourke Fruits, Back O' Bourke Packers)

- Use these enterprises as a major employer of the aboriginal community of Bourke.
- Commonwealth Government explore opportunities to implement existing employment strategies, or pilot new ones, particularly focused on Indigenous employment (ie Aboriginal Employment Strategy).
- State Government waive Stamp Duty on purchase, and waive payroll tax, to assist in re-establishment of the enterprise.
- Employ renowned sound management skills (non indigenous) available in the district
- Use these enterprises, in association with Toorale, as training centres for skills and cultural development, particularly for indigenous people.
- Use the enterprises for tourism.
- *No estimate has been made on costing.*

- **Establish an Aboriginal Cultural Heritage Centre to generate tourism and employment and to provide education.**

Action: Fund the construction and fit-out of a fifth building as part of the Back O' Bourke Exhibition Centre, to be used to display a dedicated Aboriginal Cultural Heritage exhibit.

- This should be of a similar standard to equivalent facilities in Kakadu National Park in Northern Territory, and would be the only building of such a standard in south eastern Australia, most proximate and accessible to at least 75% of the Australian population.
 - Use the facility as a major draw card for tourism.
 - Use the facility, in association with the Back O' Bourke Fruits complex, Toorale and local National Parks to provide packages for tourism and education.
 - *An application for a \$4m grant through the Infrastructure Australia program has been submitted.*
- **Construct a Goat Abattoir to generate employment.**

Action: Commonwealth Government provide funding for construction of a Goat Abattoir at Bourke.

- This would provide significant employment opportunities for both unskilled and skilled people, as well as for livestock and meat carriers.
 - Incorporate into guided tours.
 - *Estimated cost in the order of \$15m to \$20m.*
- **Build a low care, aged care addition to the Bourke Multi Purpose Service Hospital.**
- There is an essential need for this facility, as the facility which currently provides the service is totally unsustainable.
 - Relocation of low care aged care community members out of the Bourke community to far distant alternative facilities is not an option, as it is contrary to the culture of Aboriginal members, and socially dysfunctional and economically unachievable for most of our community.
 - This is a practical example of a far more critical use of limited State Government funds than spending to flatten the irrigation area.
 - *Estimated cost in the order of \$1.5m to \$2m.*

- **Implement a Socio- economic Zone Trial to utilize Government funding for more effective outcomes**

Action: Implement as a pilot in Bourke the Socio- economic Zone Trial proposal developed by the Barwon Darling Alliance.

- The Deputy Prime Minister's Office has recently requested more information regarding this trial proposal, with a view to considering a delegation to meet with the Deputy Prime Minister.
 - The delegation elected involves Sam Jeffries, Chair, Murdi Paaki Regional Assembly, and the Mayor and General Manager, Bourke Shire Council.
- *No estimate of cost has been made here, but for whole of Murdi Paaki Region is in the order of \$5m pa.*

- **Have land acquired for National Parks pay Local Government rates, to avoid cost shifting to Local Governments.**

Action: Have land acquired since January 2008 for National Parks or for part of the National Reserve System be subject to payment of Local Government rates, to avoid ongoing cost shifting to Local Governments.

- The starting date should be identified to coincide with the date that the current Commonwealth Government has initiated an alternate funding strategy for acquisition of lands for the National Reserve System.(Say 1st January 2008)
- Avoid the debate about retrospective payments for all existing National Parks.
- Prevents the frustrations of ongoing cost shifting from State and maybe Commonwealth Governments to the community members who have to pay Local Government rates.
- *Current cost shifting to Bourke Shire Council and to Bourke community is \$46,000 pa.*

- **POTENTIAL SIGNIFICANT CONSEQUENCES**

- Increased possibility of maintaining the valued skills of some of the current property management
- Aboriginal employment
- Skills development
- Education
- Tourism
- Cash flow to local (struggling) businesses
- Pilot a trial of redistribution of financial support
- Integration of Government investments within the Shire
- Precedent for Governments and communities to study for intervention impacts on other communities.

- Maintain rating base for Council.
- NEXT STEP
 - State and Local Governments approach Commonwealth Government:
 - to address future use and management of Toorale, and
 - for financial assistance to implement the strategies to address the structural adjustments to offset the community impacts following the decommissioning of the Toorale irrigation.

THE NEW LOOK BOURKE

Toorale Arid Zone Climate Change Research, Training and Demonstration Centre

Back O'Bourke Irrigation and Packing Efficiency Enterprises

Back O'Bourke Aboriginal Cultural Heritage Centre

Back O'Bourke Goat Abattoir

Low Care, Aged Care addition to the Bourke Multi Purpose Service Hospital.

Socio- economic Zone Trial pilot in Bourke

Future National Parks pay Local Government rates

OUTCOMES

- **Employment**
- **Training**
- **Skills development**
- **Education**
- **Cultural awareness**
- **Tourism**
- **Aged care**
- **Food production**
- **Conservation**
- **Reconciliation**