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16 December 2010

Mr Tony Windsor MP  
PO Box 6022  
House of Representatives  
Parliament House  
**CANBERRA ACT 2600**

Dear Tony

**Wentworth Shire Submissions On Guide To The Proposed Murray Darling Basin Plan**

Currently my Council has made a submission to the Murray Darling Basin Authority in relation to its Guide to the Proposed Basin Plan. A separate and varied submission has been made to the Senate Standing Committee on Rural Affairs and Transport.

A third submission is being work on which will be submitted to the Senate Inquiry that you head. This will be submitted by the due date being 20 December 2010.

This Council has commissioned a socio-economic study as part of the Strengthening Basin Communities Project and the documentation, including a summary community report, can be found on [www.waterplanning.com.au](http://www.waterplanning.com.au). The study supports our submissions.

I have to say how appreciative I am of having the opportunity to meet you on 16 December, and am extremely keen to have the opportunity to meet with you on 19 January 2011 when you again come to this region. I will be seeking an opportunity to make a formal statement at the Inquiry Hearing.

In this letter I have taken the opportunity to highlight some of the concerns, findings and wants my Council have in relation the Guide and its implications if followed through in its current form.

There has been considerable speculation about the volume of water required to restore the health of the Murray Darling Basin, and the release of the Guide to the proposed Basin Plan finally provides an indication as to the extent of the proposed sustainable diversion limits.

Just as the Murray Darling Basin Authority was tasked with the responsibility to determine the amount of water needed for the environment, the Wentworth Shire Council is tasked with the responsibility to ensure that it can withstand the many challenges that will arise as a consequence of the proposed water reductions.

The **key findings from our research** into this matter have concluded that Wentworth Shire Council has:

- A slowly ageing population, that is currently stable, but projected to decrease over time.
- Changing household composition, which may result in the existing housing stock becoming unsuitable for the more aged or aging households.

- Relatively high rates of in-migration, but with this largely offset by migration out of the local government area (LGA).
- Lower levels of education compared with the regional New South Wales state average, suggesting challenges in shifting the LGA to higher skilled forms of employment.
- Higher (although generally declining) levels of crime compared with the state average, suggesting social disadvantage in some areas of the community.
- Lower levels of community volunteering than the other cluster group LGAs, with implications for emergency service provision, organised sports and community and social support services and infrastructure.
- Low levels of reported trust in State and Australian governments and politicians, due to perceived communication failures, conflicting goals and lack of understanding of local issues.
- Strongly resilient communities, despite high profile businesses failures and the hardship experienced by those directly or indirectly dependent on the agriculture.
- High economic reliance on agriculture and related food and beverage production and support services.
- An agricultural economy that is almost entirely dependent on production from irrigated perennial horticultural crops. About 80% of the gross value of production is generated by 0.5% of the LGA.
- Considerable uncertainty as to the social and economic impact of the forthcoming Murray-Darling Basin Plan (MDBP).
- A shrinking labour force, reflecting heavy reliance on agriculture and the impact of drought, reduced water allocations and low commodity prices (especially for wine grapes).
- High levels of reported excessive working hours among farming families.
- Dryland farmers with unsustainably low incomes.
- Relatively high levels of socio-economic disadvantage exacerbated by high debt levels resulting from drought and poor commodity prices.

**These characteristics mean that the Wentworth Shire will face significant challenges in 'adapting to a future with (even) less water', including:**

- Diversifying its economy including building on its strengths in agriculture, food processing and related services and tourism.
- Responding to changes in water policy, particularly those outlined in the guide to the proposed Basin Plan which, if implemented, will see reductions in the range of 26% to 35%.
- Maintaining and developing further the infrastructure to maintain the competitiveness of the Shire's agriculture and support diversification into areas in which it has comparative advantages and growth prospects (e.g. tourism, renewable energy and mineral sands extraction).
- Maintaining access to services that support the Shire's population, including high quality health, education, cultural and recreational services. These services are to some extent dependent on population, but also are critical liveability infrastructure that attracts and retains residents.
- Developing the Shire's workforce to meet the changing requirements of industry.

**In our submissions to date my Council has identified a number of key needs. Here is a snapshot of them. As an attachment I have included an extract of our submission to the MDBA in relation to requests from this Council.**

#### **The need to upgrade community infrastructure**

Perhaps one of the unintended consequences of diverting water away from rural towns is the potential for stranded assets, with local government and water supply authorities left to try to run systems with fewer customers. More must be done to address the needs of local government and water supply authorities, as they attempt to provide quality services to a diminishing pool of customers

The risks and implications of climate change means, for example, that sewer systems that have been previously built on the edge of a floodplain, are now at risk of polluting waterways with the sudden inundations that are being experienced on a more frequent scale. Similarly, these same treatment plants become inadequate when too little rain means that they do not operate efficiently.

The Shire has a number of significant projects that require funding and further planning such as an interpretive centre, all weather access road to the world famous Mungo National Park, enhancement of the Wentworth Showground complex, upgrade and expansion of the Midway Centre to name a few. What will the proposed MD Plan leave this community with?

#### **Communities need the ability to plan for the future**

The exodus of farmers from the industry creates an issue of abandoned blocks, which are interwoven with rural residential dwellings. Restricting the amount of development that is allowed to occur in council areas based on historical trends, should cease, allowing the free market to decide where, when and how it wants to expand. Development in regional areas needs to be actively encouraged, not discouraged by antiquated state planning laws. Local Government needs the ability to be able to adjust their planning schemes to cater for the changing rural landscape. Rural people must be given the flexibility to decide and to be creative about their future.

#### **Local Government needs certainty of funding**

Increased block funding grants (as opposed to a competitive grants process) should be guaranteed to all local government areas over an extended period of time. The difficulty with competitive based infrastructure grants is that large scale infrastructure projects in small regional areas with sparse population bases will never be deemed as being financially viable, which results in competitive grant applications being rejected. By guaranteeing an annual funding allocation to local governments they are in a better position to plan and undertake infrastructure upgrades in a more strategic and effective manner.

**In conclusion** the Wentworth Shire Council is extremely concerned about the impacts that the proposed Basin Plan will have on its community. It seems hard to imagine that any Government would place the needs of the environment above the needs of communities, yet this is exactly what the Basin Plan is setting out to achieve.

The Wentworth Shire Council sincerely hopes that by making the submissions to date and the one to come will make a difference. The submission to your Inquiry will look at ways of maximising the way water is used for environmental purposes and canvass the options of alternative water solutions.

The ability to turn barren and unproductive land into valuable farming enterprises was made possible through the introduction of irrigated agriculture. Whilst some larger regional towns have developed to a point where they can withstand the downsizing of agricultural production, for Shires like Wentworth, the gross value of agricultural product is its lifeblood, and to take away any part of the lifeline that feeds it, our water, will be detrimental to our future survival.

It appears to us that much more needs to be done and the community needs to be brought along the journey better than it has to date. A quick fix could be potentially devastating to this and other regions in the Murray Darling Basin.

Yours faithfully

**Margaret Thomson**  
**Mayor**

[EXTRACT FROM THE SUBMISSION TO THE MDBA]

## **THE REQUESTS OF THE WENTWORTH SHIRE COUNCIL**

Having outlined our concerns about both the process and about the contents of the Guide to the proposed Basin Plan, this section of our submission outlines some of the initial requests that we have, as they relate to the issues we have raised within this submission.

### ***A response from the MDBA***

The Wentworth Shire Council would like the MDBA to formally respond to, and address each and every one of the concerns expressed within this submission.

### ***Extension of submission period***

Whilst it is acknowledged that the MDBA have extended the submission period from the 30/11/10 to the 18/12/10, we still do not believe that the submission period has allowed sufficient time for our community to fully consider its response to the Guide to the proposed Basin Plan document.

We would like to see the submission period for both the Basin Plan Guide, and (once released) the draft Basin Plan, extended to allow ample time for our constituents to be fully briefed on the impacts of the Basin Plan, and affording them ample opportunity to prepare their own submissions.

### ***A meaningful community engagement process***

In the period leading up to the release of the draft Basin Plan we would like to see meaningful community engagement conducted specifically for the Wentworth Shire Council community. We believe that such an engagement process should see the MDBA, and later the Government, engaging in a variety of public meetings, focus groups and individual meetings with targeted stakeholders such as ourselves and impacted stakeholders within our Shire.

### ***Delivery of services at a local level***

Should funding be provided to assist communities in adjusting to the social and economic consequences of the Basin Plan, we would like that funding (or any associated services) delivered at a Local Government level, and not at a Regional Development Australia (RDA) level, or through a consortium of Councils approach, as has been done for the Strengthening Basin Communities project. Given the vast distances between our Shire and other New South Wales shires, it is extremely difficult to adequately service our Shire from a remote base. Far too often we see government services being delivered out of larger centres such as Dubbo, and we find that those services respond directly to issues in the immediate area in which they have an office, and very little money trickles out to remote areas such as ours. Our experience with the

Strengthening Basin Communities project also demonstrates how difficult it is for projects to be delivered across 3 very large, geographically dispersed, council areas.

### ***Dedicated local resources to deal with the impacts***

We believe that in order to adequately deal with the impacts of the Murray Darling Basin Plan, we need to have dedicated resources located within our Local Government Area. These dedicated resources need to include increased rural financial counsellors, mental health specialists, domestic violence workers and suicide prevention counsellors. Additional resources within Council are also required to assist Council in dealing with the changed economic landscape, to work on enhancing tourism opportunities, and to explore new industry development opportunities. Only with additional specialist resources will Council be in a position to attract increased visitation, new industry investment, and new residents into the Shire to help offset the economic fall out that we expect from the introduction of the Basin Plan.

### ***Adjustments to the planning scheme***

In the same way that the Water Act forces the States to comply with water reductions set under the Water Act, we want to see the NSW State Government being forced to acknowledge and respond to the many planning difficulties that the farming exodus is having on regional communities. The significant and abundant supply of natural assets in the Murray Darling Basin should be allowed to be in the mix when people and communities are deciding on their futures. Restricting the amount of development that is allowed to occur in council areas based on historical trends, should cease, allowing the free market to decide where, when and how it wants to expand. Development in regional areas needs to be actively encouraged, not discouraged by antiquated state planning laws. Local Government needs the ability to be able to adjust their planning schemes to cater for the changing rural landscape. Rural people must be given the flexibility to decide and to be creative about their future.

### ***Funds to develop comprehensive strategic plans***

Wentworth Shire Council requires significant funds to enable it to develop a comprehensive strategic planning response to the likely impact on land use within the Shire, together with the development of a broad range of plans that will enable the Council to actively pursue competitive funding opportunities. This significant injection of Government funding, over a sustained period, is required to enable us to address multiple infrastructure and community needs. Water and sewer infrastructure upgrades, upgraded community facilities and tourism infrastructure, together with detailed community planning are all required in order to have a detailed and coordinated response over the course of the "adjustment period". Far too often small Councils struggle to find sufficient funds to develop robust project plans, which then limits the capacity to apply for competitive based grant funding.

### ***Funds to undertake capital works***

In addition to undertaking detailed community and infrastructure planning, a significant injection of capital funds is required to undertake major capital works, to create jobs, rebuild infrastructure and keep our community alive as it make the adjustment to a future with less water. We would like it noted that some of the regionally significant projects that are a priority to the Wentworth Shire are:-

- the construction of a multi-purpose tourism/interpretative centre in Wentworth, that can assist with the creation of jobs and the widening of our economic base.
- the construction of an all weather road to the world renowned Mungo National Park.
- major infrastructure and building upgrades within the Wentworth Showgrounds complex
- the construction of sealed runways at the Wentworth airport, and
- expanded library services and upgrades to community facilities within the Buronga Gol Gol area, which is the growth area of our shire.

### ***Increased block funding grants***

Increased block funding grants (as opposed to a competitive grants process) should be guaranteed to all local government areas over an extended period of time. The difficulty with competitive based infrastructure grants is that large scale infrastructure projects in small regional areas with sparse population bases will never be deemed as being financially viable, which results in competitive grant applications being rejected. By guaranteeing an annual funding allocation to local governments they are in a better position to plan and undertake infrastructure upgrades in a more strategic and effective manner.

In addition to funding for infrastructure upgrades, we would like an undertaking that the block funding that is calculated on the number of ratepayers will not be reduced as a consequence of any future population decline. That is, we need to be assured that what we receive now, is a base amount that will not reduce any further.

### ***Industry support funding***

Wentworth Shire Council would also be seeking cooperation with all levels of government to help it identify and attract new industries to our region. The economic and social consequences of the introduction of the Basin Plan will result in a significant loss of employment, not just from the agricultural sector, but also from our secondary and tertiary industries, ie wineries, transport and logistics. We need to attract new industries that create significant numbers of jobs, not just one or two jobs here and there. Attracting large scale industry to our region can only occur if all levels of government make a commitment to overcoming the many structural impediments, such as planning regulations, the provision of natural gas, road infrastructure etc.

### ***Undertakings from the MDBA***

The Wentworth Shire Council is seeking an undertaking from the MDBA that:-

- the scientific models that have been used to calculate the SDLs are reviewed and updated to include the recent massive inflows into the system, and the changing weather patterns.
- the water being purchase by the Environment Water Holder will be permanently retained by the Environmental Water Holder, unable to be traded or re-issued to any other party, or used for any other purpose other than for the environment.