

Productivity Commission Review 2023 on the Murray Darling Basin Plan

Submission from Leeton Shire Council
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LEETON
SHIRE COUNCIL

Thank you for the opportunity to provide feedback. We also submitted in 2018 and were delighted with the recommendations made by the Productivity Commission (PC) at the time. Unfortunately few of those very sensible and well considered recommendations have been actioned by the government in the ensuing period which is as disappointing for us as it is must be for the PC. We hope that this time around our voices will be heard and genuinely considered by decision makers.

By way of background, Leeton Shire Council has always and continues to support the intent of the Murray Darling Basin Plan. However, Council does not support blindly chasing arbitrary deadline dates and recovery volumes that could tip over thriving regional economies and communities to their detriment and, ultimately, the detriment of the nation. This should not be taken lightly as the consequences of rushed policy implementation can be catastrophic, especially when that policy is more than 10 years old and hasn't been reviewed.

Our Council seeks to ensure current, reasoned, intelligent science and socio-economic analysis is applied when implementing the Basin Plan, that the strategy to achieve outcomes is dynamic and responsive to new ideas and reasonable timeframes; and that an action research approach is applied so that new learnings can be applied in an iterative process of "plan, do, review". Ideally this should be done collaboratively with ALL stakeholders contributing as equal partners around the table and should be flexible to ensure the right actions are taken at the right time.

Very importantly, we need to work from the truth (facts), not broad emotional statements, and we need to recognise and celebrate the good progress that has been made. Having recovered 2100 GL to date for the environment is significant (4 Sydney Harbours) yet recent media releases from politicians disappointingly present the current position as a failure. Similarly, as a Council and members of Murrumbidgee EWAG, we are deeply conscious of the great strides that have been made environmentally with both the CEWH and various state departments celebrating bird and reptile breeding success, yet politicians, bureaucrats and some scientists speak as if the environment is on the brink of collapse simply because water recovery targets are not yet fully met.

Much has been learnt since the Basin Plan was launched and these facts MUST be fully considered eg. towns, industry and agriculture now only access 28% of inflows meaning what's left for the environment is well within globally accepted standards for water diversion; delivery of recovered water cannot be achieved in many areas where constraints persist so further recover for the sake of it is pointless; water recovery has already cost jobs - estimated 10,000 across Basin Communities and further buybacks would be economically catastrophic; water is fast becoming unaffordable (entitlement prices have increased fourfold in 10 years) which impacts both primary, secondary and tertiary productivity in regional areas. It is in fact being argued that SDL compliance has indeed already been with lower water recovery numbers than initially modelled – this needs fast, effective investigation as it makes no sense to stick rigidly to an old Plan if the results have already been delivered in different or unexpected ways to what was initially envisaged.

As a nation we must avoid adding the final straw that breaks the camel's back for Basin communities – especially when it may be unnecessary. It is imperative that the Basin Plan does not become a political football, and that everyone works together reasonably and rationally to agree on the most intelligent path forward. It is imperative that everyone's eyes stay on the goal of the Plan (better outcomes for the environment) rather than the means to get there (water recovery).

Critically, the implementation of the Murray Darling Basin Plan must NEVER be at the expense of local communities and local industries. Instead all sectors must have the opportunity to come together to work out new, innovative and smarter ways of achieving Basin Plan goals and targets, if still required. Minco's commitment to socio-economic neutrality testing before any further buy-backs needs to be honoured and must extend to towns and regions, not just the farm gate.

To date we have been consulted extensively, and we engage enthusiastically, but our voices don't seem to be heard or acknowledged. It feels like departments are ticking a box, rather than engaging meaningfully. For example, the MDBA has been asked on multiple occasions to bring back to us their definition of socio-economic neutrality testing and how it will be calculated, and they have agreed, but they have never ever followed through. Similarly, getting updates on the SDLAM projects has proved challenging at both the national and state level, even for local Councils. These projects have huge consequences for communities and there is absolutely no excuse for secrecy or a lack of transparency.

Leeton Shire Council recommends the following:

- 1). No more water recovery from the consumptive pool available to farmers (even if there are willing sellers). Australia's agricultural and value added industries that feed and clothe both us and our world trading partners are too important to jeopardise. There are a myriad of alternative ideas to explore (see ideas below in point 4) ahead of resorting to further water recovery (be they direct buybacks or indirect buybacks via on farm efficiency projects). Step 1, however, is establishing whether any further water recovery is even needed, or whether there are alternative mechanisms for achieving the same outcomes. Certainly it would be immoral to recover water in circumstances where it cannot be delivered (due to constraints) or without a publicly available plan and reports from the CEWH about how the additional water is intended to be used, for what purpose, and how it will be delivered to site.
- 2). Full commitment to socio-economic neutrality testing when making ANY future water policy decisions, including final implementation of the Basin Plan. Ideally rural communities should not be compromised at all but, where there is an opportunity that can potentially be appropriately compensated, engage early, meaningfully and authentically with potentially impacted communities with a view to seeking win-win outcomes. Importantly, do NOT compromise the viability of major irrigation districts where the taxpayers' investments over decades (even centuries) needs to be optimised to feed to nation. Consider the bigger picture, not just the immediate transaction.
- 3). Apply flexibility and intelligence to goals - chasing (10-year old) dates and volumes at the expense of local communities is both irresponsible and reckless. Pushing regional economies to breaking point or driving artificial increases to an already overpriced water market must be avoided at all costs. The Plan needs to be adjusted to find a more informed balance between the environment, community and economy.
- 4). Explore alternative options for achieving environmental outcomes. Examples include off-farm efficiency projects (Murrumbidgee Optimisation Program) proposed by the

Murrumbidgee/Coleambally Irrigation Companies and the Reconnected Floodplains project proposed by Murray Irrigation Ltd. Government investment should be directed to these new ideas and other complementary measures that could deliver environmental outcomes and improved water quality, such as:

- i. improved river operations that could free up more discretionary water for the environment
- ii. improved recognition of the effects of private partnerships including private property wetlands (estimated to be 93% of wetlands) and private watering arrangements with the CEWH (including by irrigation companies)
- iii. revisit the carp herpes program to address degradation of in-stream habitat; explore fish ladders / fish passage weirs at Menindee, Balranald and Mildura; and expand fish screening programs
- iv. support further modernisation programs in irrigation districts (including private districts)
- v. alternative (temporary) market solutions for environmental water when absolutely necessary (as opposed to permanently reducing the consumptive pool)
- vi. encourage town supply conservation and foster programs whereby local communities can support environmental programs and outcomes. However, do NOT remove town supply allocations from local communities as this can thwart their future growth.

Suggestions for Government around the implementation of the Basin Plan:

- It is essential to be more flexible and realistic about Basin Plan goals and timeframes. The Basin Plan must be adaptive to reflect its original intent. Deadline dates must be extended and room must be made for new, highly worthwhile projects to be properly explored rather than rigidly staying on a SDLAM and 450GL upwater course that will ultimately see rural communities suffer across the Basin. SDL compliance needs to be checked – we may be there already. Let's also have an honest conversation about what is impacting biodiversity and address this in an integrated fashion – simply adding water to the environment isn't a magic bullet. **Government needs to change Basin Plan legislation to accommodate more sensible dates and projects.**
- It is essential to recognise that Australian farmers are world leaders in production and water efficiency. They should be celebrated, not vilified for using water, and their responsible practices (such as only growing certain annual crops in wet years and adhering to strict water regulations) should be recognised and applauded. Australians in metropolitan areas need to be educated about how nearly all Australian farmers farm responsibly. **Government needs to showcase stories of responsible, world class farming practices in Australia, including how farmers are efficient with water and how they care for the environment.**
- It is essential to work with local councils; local farmers; local irrigation companies; local communities (including indigenous leaders) and local environmental organisations to identify new ideas and complementary measures to deliver environmental outcomes without devastating local economies. Local councils like Leeton Shire Council are on the ground and we would be very willing to help convene / facilitate multi-stakeholder sessions where the engagement is authentic. **Government needs to engage early, fully, transparently and authentically with local communities, valuing and respecting them as genuine partners with capabilities for co-designing solutions.**
- It is essential to explore market product options, many of which are already operating with good success through proactive partnerships with local conservation agencies. This includes revisiting ideas like "River Reach", an options trading or derivatives program previously piloted at Narran Lakes. Essentially it provides the CEWH an option if absolutely needed without permanently removing water from the productive pool. **Government needs to be open to alternative methods for achieving water for the environment in dry years instead of chasing buybacks**

(noting that general security allocations will be nil most likely when there is drought so not a good investment of taxpayers money anyway).

- It is essential to recognise that water recovery alone won't improve the environment. There are other threats to ameliorate and constraints to address. Issues like poor water quality, cold water pollution, habitat degradation, feral animal control, weed management, barriers to fish passage and invasive species need a real and integrated focus if the Basin Plan goals are to be realised fully. There are also new opportunities to explore such as photovoltaics and mini-hydro schemes on irrigation canals that could help deliver national renewable energy targets and contribute to environmental outcomes. **Government should embrace an integrated approach to environmental management, rather than seeing the addition of environmental water as the sole solution to biodiversity challenges.**
- It is essential that socio economic neutrality testing is well defined and well understood, with impacts measured at the regional level and not at the farm gate. **Government should routinely undertake robust, regionally-based socio economic testing before making any big decisions related to implementing water policy. These tests should be understood and transparent, with input from local communities.**
- While climate change needs to be a key consideration, it is essential that the Basin Plan needs to not always assume drought but also floods as extreme weather events occur. The impacts of flood events (some positive for the environment) should be included in annual calculations for environmental watering. **Government should acknowledge that climate change will deliver a variety of outcomes for natural areas, including possibly delivering extra water from (increased) flood events to the environment.**

Thank you once again for the chance to have our say. Leeton is the birthplace of the Murrumbidgee Irrigation Area (a nation building initiative of note, arguably supporting the major food bowl for Australia) and home to a diverse array of agricultural endeavour and value added processing. We are also home to the internationally acclaimed Fivebough Tuckerbil RAMSAR listed wetlands which we celebrate and actively support.

While we continue to support the intent of the Basin Plan we do not support any roll out that disregards the welfare of our residents and sustainability of our regional economy.

That said, we remain genuinely committed to collaborate with both Federal and State governments on achieving win-win outcomes.

Sincerely,
Jackie Kruger
General Manager on behalf of Leeton Shire Council
31 July 2023