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Response

**To the Australian Government Productivity
Commission's Inquiry - Murray-Darling Basin
Plan: Implementation Review 2023 – Interim
Report – October 2023**

20 November 2023

Campaspe Shire Council is pleased to provide this response to the Australian Government Productivity Commission's interim report on the Murray Darling Basin Plan: Implementation Review 2023.

Introduction

Campaspe Shire Council's submission to the Productivity Commission in July highlighted the significant economic contribution Campaspe Shire's agricultural industry makes to our economy, the strong food manufacturing sector that complements the agricultural sector, the ancillary businesses that support both sectors and, most importantly, the importance of the ongoing socio-economic viability of our local towns based on access to water.

Our submission also highlighted the significant negative impacts of water recovery through buybacks, including the flow-on effects of job losses on local communities, such as contributing to the breakdown of the social fabric of communities.

The balanced implementation of the Basin Plan was also a key message of our submission. In effect, we believe that for the Basin Plan implementation to be effective, it must take full account of the triple bottom line of social, economic and environmental impacts.

Since Council lodged its submission to the Productivity Commission on 31 July 2023, there have been several key developments that have the potential to significantly influence the implementation of the Basin Plan into the future.

These key developments include the following:

- **22 August** - the Australia Government announced a new agreement between Murray-Darling Basin States, excluding Victoria, to deliver the Basin Plan in full over a longer time period. This agreement requires amendments to the Water Act and the Basin Plan.
- **6 September** - The Water Amendment (Restoring our Rivers) Bill 2023 (the Bill) was introduced to Parliament and was referred to the Senate Environment and Communications Legislation Committee. The Bill proposes the reintroduction of water buybacks and removal of the socio-economic impact test.
- **30 October** – The Productivity Commission released its interim report on the Murray Darling Basin Plan: Implementation Review 2023.
- **31 October and 1 November** – Public hearings were held in Canberra on the Inquiry into Water Amendment (Restoring our Rivers) Bill 2023.

- **10 November** – The Senate Environment and Communications Legislation Committee’s report on the Water Amendment (Restoring Our Rivers) Bill 2023 is released. The report supports the reintroduction of water buybacks and removal of the socio-economic impact test.

We ask that the commission notes that Council’s response to the interim report is viewed in the context of the above key developments.

GENERAL COMMENTS

Socio-economic protections must be retained

Campaspe Shire Council **does not support** the removal of socio-economic protective mechanisms, including the removal of the socio-economic neutrality test. The Interim report does not provide any context around the gravity of the socio-economic impacts expected because of changes proposed by the Bill, apart from saying it will provide ‘significant transitional assistance’ where voluntary water purchases have flow-on impacts. It is concerning that there is no mention of how this will be determined, monitored and/or evaluated.

The triple bottom line approach must be retained

The Water Act 2007 (Cth) Section 21 (4) requires the Basin Plan to be developed based on the best available scientific knowledge and socio-economic analysis.

What evidence exists to show that water buybacks have had a neutral socio-economic impact?

The suggestion that the overall economic performance of the Basin has improved with the gross value of irrigated agricultural production in the Basin increasing by about 12% between 2013-2018 doesn’t account for CPI growth, efficiency measures or inflation, as an example. In our view, this is not a wholistic or robust assessment.

What would have been the gross value of irrigated agricultural production had the water buybacks not occurred? We don’t believe this work ie; the counter-factual has been undertaken.

Take water from where it is most needed

Campaspe Shire Councils **does not support** removal of further water from the consumptive pool from the Southern Basin. Instead, we urge the Australian Government to take water from where it is needed most; the Northern Basin.

Although the Northern Basin accounts for 32% of the Basin Sustainable Diversion Limit (SDL), it has only contributed 15% of total water recovered.

The Southern Basin accounts for 63% of the Basin SDL but has contributed 82% of the water recovered.

If the remaining water recovery focuses on the Southern Basin, then the full volume of water cannot be delivered through existing rivers and infrastructure, to where it is needed, when it is needed. Natural and infrastructure constraints and significant flood risk to private property mean that recovery as set out by the Bill will be largely pointless, delivering marginal environmental benefit beyond existing outcomes.

It is not only the volume of water that reaches South Australia that matters, but where it comes from, that will make the biggest difference in outcomes.

The Australian Government's *Murray-Darling Basin Authority The 2020 Basin Plan Evaluation Report* clearly highlights the performance of the Northern and Southern Basin in terms of determining Basin condition indicators including hydrology and ecology.

Table 4: 2020 Evaluation assessment of outcomes in the Southern Basin (page 35)

Hydrology - Condition 4 out of 6; Contribution to the Basin Plan 5 out of 6

Ecology - Condition 4 out of 6; Contribution to the Basin Plan 4 out of 6

Table 5: 2020 Evaluation assessment of outcomes in the Northern Basin (page 45)

Hydrology- Condition 3 out of 6; Contribution to the Basin Plan 3 out of 6

Ecology - Condition 3 out of 6; Contribution to the Basin Plan 2 out of 6

In effect, the Basin Plan 2020 evaluation assessment of outcomes found hydrology and ecology to be stable or improved in the Southern Basin but had declined in the Northern Basin due to a drying climate and lack of held environmental water. Major fish death events in 2019 and 2023 in the Darling-Baaka River are considered evidence of this.

More water recovery in the Northern Basin, with appropriate flow protections, would improve its environment as well as deliver more water to the South Australian end of system, Coorong and the lower lakes.

Recovering the 450 gigalitres of water from the Northern Basin to deliver outcomes to the South Australian end of the system is the logical thing to do. There is a high risk of unseasonal flows and environmental impacts if water is recovered from the Southern Basin, and delivered via the Southern Basin storages, especially the Goulburn, Murrumbidgee and Murray rivers. Whereas there is lower risk of unseasonal flows and

environmental impacts if water is recovered from the Northern Basin and conveyed via the Darling-Baaka River.

First Nations

Campaspe Shire Council acknowledges and respects First Nations and their people. We acknowledge that Djaara, Taungurung and Yorta Yorta Nation have a deep and ongoing connection with their land and waters.

Ms Sonia Cooper, Water Policy and Climate Officer for Yorta Yorta Nation Aboriginal Corporation (YYNAC) gave [evidence](#) on behalf of YYNAC into the Inquiry into the *Water Amendment (Restoring our Rivers) Bill 2023* public hearings and transcripts available [here](#). One of the main concerns raised by Ms Cooper on behalf of YYNAC was river bank erosion. Below is an excerpt from the transcript of 1st November 2023:

“What the elders say is we must hold up the agency of our sacred river, Dungala, which is in my country. It means 'the waters' and it is now called the 'Murray'.

Water was never meant to be bought or sold, but this is what we are facing. I'm a colleague of Mr McHughes as well, sitting on a committee with him. Yes, we do have the same struggles in terms of the impacts on country. There are impacts to community, but community is made up of different identities. The Yorta Yorta identity and our community has been impacted greatly. One of the impacts that we have is that our country is facing irreversible damage. I've got a piece here that says:

... Principle 15 of the 1992 Rio Declaration states that "where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation".

I do believe not only states but the Australian government may have a short memory about the Rio declaration and would like this to be clearly stated in the notes, because the Dungala—or the Murray, as they refer to it—is widening. The message I've come here today to tell you is about the impacts on my country—the restoring our rivers bill: the words 'restoring' and 'restoration' sometime have a larger connection to infrastructure—and the impacts that infrastructure can have on my country, including the holding back of what water is needed for the soil. The soil ecosystem in my country is in trouble. There's not enough moisture. There's not enough water.”



Hear the voices of our community

Campaspe Shire Council is committed to advocating on behalf of the shire's businesses and communities. To this end, we urge the Productivity Commission to take heed of the insights and experiences of those who presented at the Senate Committee [public hearings](#) on 31 October and 1 November. This includes Australian Consolidated Milk, Goulburn Murray Irrigation District Water Leadership Forum and Campaspe Shire Council via Murray River Group of Councils.

Mr Jason Limbrick, CEO of Australian Consolidated Milk said:

“As industry, across dairy, rice and fruit, our collective position is that we'd like to engage in a conversation about how we can propose amendments to the reform to continue to allow industry to thrive while we deliver the objectives of the bill. The Murray irrigation district, as we sit today, is renowned globally as the most efficient user of water today, but I'm sure we can do more. As industry, we really want to be part of the conversation to find ways to keep people on farms, keep factories running, keep jobs in local communities and make sure that agriculture is a very viable and attractive proposition for our communities. That is what we need going forward. We need people to see agriculture, across streams, to be a viable proposition for employment and generational wealth and growth. We're at an economies-of-scale tipping point at the moment, in my opinion, and we want to be part of the conversation to make sure we can continue to grow and thrive.”

Timing of the Bill and lack of consultation in communities

Campaspe Shire Council is concerned at the apparent rush by the Australian Government to have the Water Amendment Bill passed into law.

There have been many delays in delivery of the Murray Darling Basin Plan and a distinct lack of accountability measures, many of which are highlighted in the Productivity Commission's interim report. The regular reviews and feedback from stakeholders have had marginal impact and rather than extend timeframes and recalibrate goals, there is haste by the government to change the Act and the Plan.

It not uncommon when delivering large and complex infrastructure projects that extra time and extra funding is sought to facilitate delivery. However, this should not mean that plans be totally scrapped and changes made in haste.



It is interesting to note that the Interim Report (Overview) includes the following statements:

“Accountability for implementing projects is weak – there are no real consequences for Basin states not delivering on supply projects.” (page 11)

‘Some of the environmental benefits of this additional water are also contingent on the delivery of constraints easing projects – which are still 5-10 years from delivery.’ (page 15)

‘First Nations people – many of whom have invested a lot of time participating in the Basin Plan and reviews of it – shared their continuing frustration with engagement processes, which they say are often rushed and tokenistic.’ (page 18)

Campaspe Shire Council is also concerned that the public hearings on the Bill were held in Canberra and not in towns where the Senate Committee would have had the opportunity to hear the insights and experiences of people whose businesses, workers, families and communities have been impacted by water buybacks in the past.

COMMENTS ON INTERIM FINDINGS AND RECOMMENDATIONS

Interim finding 4.1 - Resource plans

There are still 13 NSW Resource Plans to be delivered. The plans are still outstanding after 10 years of the Basin Plan being in place and almost four years after an already-extended deadline. Without water resource plans in place across the Basin, the Murray Darling Basin Plan cannot be fully implemented or properly enforced. There is also a greater risk of over extraction of water in New South Wales.

Step-in provisions for the Australian Minister for Water to request the Murray Darling Basin Authority to develop water resource plans are available but have not been used.

We implore the Australian Government to create an even playing field for all stakeholders and ensure that the NSW Resource Plans are completed as a matter of urgency. It is currently an unfair playing field.

We also implore the Australian Government to work with the Victorian Government to find common ground with regard to the Murray Darling Basin Plan and to ensure that Victoria doesn't miss out on funding for projects and structural adjustment packages beyond July 2024.

Interim recommendation 2.1 The Australian Government should be more transparent, and have greater authority, over decisions for supply, constraints-easing and northern-Basin toolkit measures

Why is the Productivity Commission only recommending changes that impact the Northern Basin toolkit?

The disparity between the jurisdictions is also evident in the slow progress on the Northern Basin toolkit which reflects unclear accountability for delivering program outcomes.

The Australian Government has been identified as needing to be more transparent in its reporting and this should apply to both the Northern and Southern Basins, and water purchasing.

Interim recommendation 2.4 Develop a renewed approach to water recovery

Campaspe Shire Council endorses this recommendation and agrees that the Australian Government needs to update its water recovery strategy.

Interim recommendation 6.2 Publishing material used for decisions

Campaspe Shire Council agrees with this finding.

Interim finding 9.3 well defined local outreach can be an effective engagement approach

Campaspe Shire Council agrees that a permanent local presence in communities will improve knowledge, information sharing and relationships.

The suggestion of creating a new Commonwealth corporate entity to purchase water and manage some supply projects, and that they will be able to engage more nimbly and adhere to both Commonwealth procurement guidelines and grant rules, ignores the fact that the main problems with implementation are not related to acting nimbly or procurement.

Creating the Agreement and introducing a Bill that proposes significant changes to the Basin Plan shortly after the Productivity Commission's consultation period for the Interim Review, could be perceived as undermining the Productivity Commission's independent review process.

The Australian Government's *Strategic Water Purchasing Framework – Bridging the Gap to the Sustainable Diversion Limits* 49.2 gigalitres total from 7 catchments was



released (without any public consultation) in March 2023 and omitted to include the socio-economic test. This lack of consultation is also concerning and may point to the Australian Government's apparent rushing through of the change in anticipation of the Bill.

Conclusion

Campaspe Shire Council urges the Productivity Commission to consider carefully the matters outlined in our response to the interim report and to take heed of the insights and lessons learned from our farmers, workers, industry leaders and other community members who, in the past, have been impacted by water buybacks.

Notwithstanding Victoria is not part of the new Basin Plan agreement, we believe that all levels of government must work together towards achieving the environmental outcomes to which we all aspire, in balance with social and economic considerations to ensure that our irrigation farmers, industries and communities can continue to thrive into the long-term future. As such, we implore the Productivity Commission to ensure that current socio-economic protections are retained and that the long-held principle of applying the triple bottom line to all government decisions and policies is upheld.

Yours sincerely

CR TONY MARWOOD
ACTING MAYOR, CAMPASPE SHIRE COUNCIL

PAULINE GORDON 
CHIEF EXECUTIVE OFFICER

