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14 July 2023

Commissioners
Murray-Darling Basin Plan
Implementation Review
(basin.plan.2023@pc.gov.au)

Dear Commissioners

Moira Shire Council's submission to the Australian Government's Productivity Commissions Murray - Darling Basin Plan - Implementation Review 2023

Thank you for the opportunity for Moira Shire to submit to this very important Murray-Darling Basin Plan Implementation Review that we make on behalf of the 30,000 people in Moira Shire.

In its 2018 Australian Governments Productivity Commission – Five Year Assessment of the Murray-Darling Basin Plan-in its overview stated that:

“Governments need to confront the reality that some projects may require more time.

Failure to successfully implement these projects by 2024 would mean that either Basin States or the Australian Government will most likely need to make good any shortfall in the offset, which could include further water recovery. The 2024 deadline for a number of these projects (particularly the constraints projects) is highly ambitious, if not unrealistic.

The timeframe for implementation (which is already delayed) will continue to be compressed until Governments resolve significant policy issues including funding arrangements, responsibility for making good if projects fail and ongoing costs associated with assets. Agreement on these issues is urgent, as works cannot commence until they are resolved.

Strictly enforcing the 2024 deadline could lead to the abandonment of worthwhile projects.

To enable worthwhile projects to be implemented in realistic timeframes, Basin Governments should be open to the possibility of extending the 30 June 2024 deadline and make this clear to project proponents prior to detailed business cases being completed. This should not be interpreted as scope for a blanket extension for all projects or a reason for Basin States to procrastinate. Nor is it a reason to avoid making good if projects fall short. But being open to legitimate extension of time avoids rejecting worthwhile projects or progressing projects with milestones that just cannot be met. Projects with unrealistic milestones will likely further erode community confidence that projects are achievable and worth doing.”

Moira Shire is renowned for our agricultural and manufacturing sectors, which have made significant contributions to the local and national economy.

Agriculture takes the lead as the largest employer in Moira Shire, with 2,190 people, followed by Manufacturing in third place with 1,349 employees. Dairy manufacturers Cobram's Saputo (450 employees) and Strathmerton's Bega (350 employees) are primarily involved in producing cheese and other dairy products related to agriculture. In terms of output, Manufacturing takes the top spot at \$1,051 billion, while Agriculture ranks second at \$742 million.

We also boast Grain Corp at Numurkah, with 70 employees, specialising in canola oil production, Booths Transport, (160 employees) who focus on canola oil and milk transport. Katunga & Madigan Fresh (176 employees) together with Flavorite (80 employees) are major tomato and capsicum producers.

Fruit packers such as Legacy Packing, with 80 employees, handles the packing of citrus and stone fruits. Baiada broiler farm and Farm pride free range egg production contribute to the region's economy. Great local manufacturers like Nathalia's TTI, with 70 employees and Cobram's tractor and machinery dealers, local engineering and service industries supply our farmers with the equipment to do their job better. These companies collectively demonstrate Moira Shire's diverse and prosperous industrial landscape.

Irrigated agriculture in Moira Shire goes beyond benefiting farmers alone, as its impacts extend to the wider economy and community. The industry creates employment opportunities in various sectors, stimulates economic growth by generating income and demand for goods and services, contributes to food security, and promotes sustainable water management practices.

The positive effects of irrigated agriculture ripple throughout the region, fostering a vibrant and interconnected community that thrives on the benefits it brings.

Water and Industry in Moira Shire

In Moira Shire, the connection between water and the industries of agriculture and manufacturing is crucial. The growth and prosperity of agricultural products within the region rely on sufficient water availability. For example, it takes approximately 1000 litres of water to produce one kilogram of milk and 1,644 litres to produce one kilogram of cereals. Recognising the direct correlation between water availability and food production, it is vital to ensure that farmers in the region have access to an adequate water supply to cultivate the necessary quantities of food and fibre. This is particularly significant for industries like dairy and canola oil manufacturing, which rely on the farmers' ability to produce viable quantities of agricultural products.

What water availability means to these industries, region and community

Water buybacks can have significant impacts on businesses in the region, particularly those reliant on irrigation. The reduced availability of irrigation water, especially during drought periods, can lead to a sharp decline in on-farm production and a decreased demand for agriculture services. This can have severe consequences for the long-term viability of irrigation industries and the irrigation infrastructure managed by Goulburn Murray Water within Moira Shire. Furthermore, the reduction in agricultural production may render some manufacturers economically unviable.

The impacts of water buybacks

The potential effects of water buybacks are substantial. Previous buybacks have already resulted in a 50% reduction in water usage in the Goulburn Murray Irrigation District (GMID) and a 40% decrease in irrigated agriculture jobs in Northern Victoria.

With ongoing water recovery efforts under the Basin Plan and continuous expansion of horticulture, the impact of the next drought is expected to be twice as severe as the previous one. These findings highlight the urgency of addressing water buybacks and their implications for the region.

Reports indicate that Moira Shire has already experienced significant losses in its agricultural sector. Approximately 50% of dairy farms in the area have been lost, further underscoring the challenges faced by the local farming community.

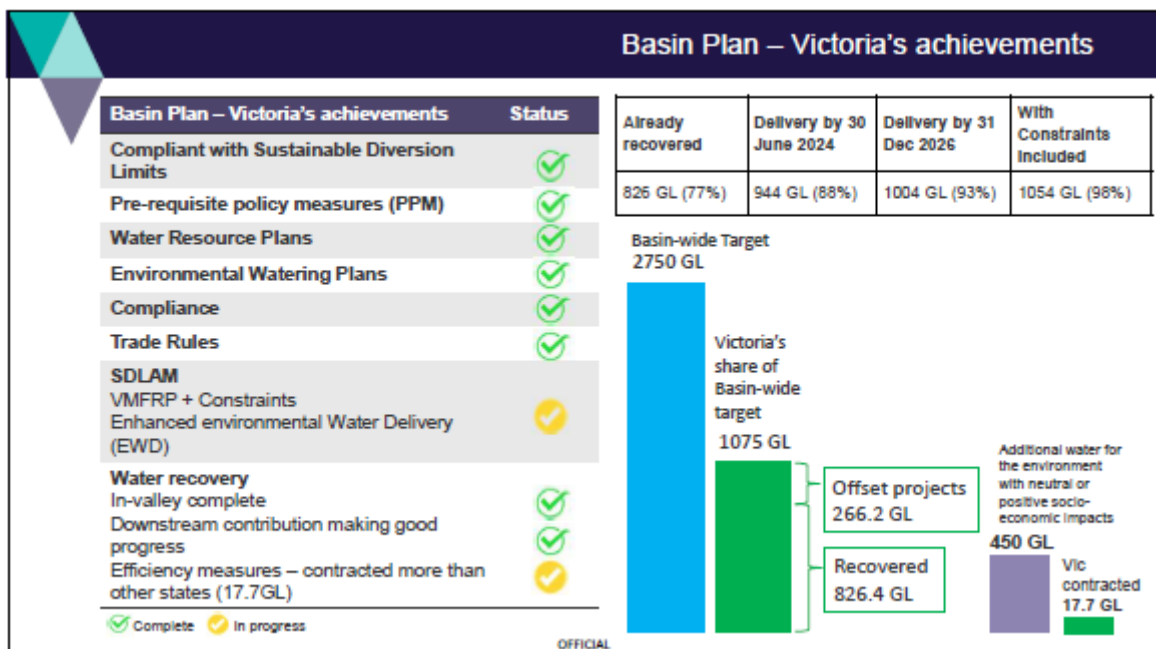
United with the Murray River Group of Councils

We stand with Murray River Group of Councils in advocating for responsible delivery of current projects while opposing further water buybacks from the region, and emphasise the importance of protecting the region's economy, livelihoods, and water resources.

In conclusion, the Moira Shire Council opposes any further water buybacks in the Southern Basin and emphasises the need the support the resilient and sustainable industries in our region.

Victoria has already undergone significant water reform at a considerable cost to its irrigation communities; as illustrated by the Victorian government publications below.

We appreciate the opportunity to contribute to this important review process and trust that our input will be given serious consideration.



Social and economic impacts of previous buybacks

What we've seen:

- We know buybacks to date have had a big impact on communities:
 - undermined the viability of irrigation districts, 50% less water used in the GMID in recent years
 - reduced agricultural production and employment, irrigation job losses of over 40% in Northern Victoria
 - directly increased water market prices, ABARES estimates on average by \$72/ML
 - resulted in many irrigators becoming more reliant on the allocation market and exposed to high water market prices
 - farmers have adapted to lower water availability using the water market (i.e. trade), changing farming models and transitioning to more mixed farming, cropping and grazing
- The lack of a strategic approach to buybacks has had a 'swiss cheese effect':
 - changes to irrigators' water demands are spread throughout the network
 - opportunities to reduce and rationalise irrigation footprint difficult to identify and achieve
 - fixed costs of ongoing maintenance of irrigation infrastructure supporting lower water deliveries and less economic activity



Trust in communities has been eroded – undermining social licence to implement the Basin Plan

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If you have any queries or wish to discuss this matter further, do not hesitate to contact me on (03) 5871 9222

Yours sincerely

Josh Lewis
Chief Executive Officer

