



Tuesday, 21 November 2023

Commissioner Joanne Chong  
Productivity Commission  
4 National Circuit  
Barton ACT 2600, Australia

C/- [basin.plan.2023@pc.gov.au](mailto:basin.plan.2023@pc.gov.au)

Dear Commissioner Chong

### **Submission on the Murray Darling Basin Plan Implementation Review 2023**

I write on behalf of the Lower Murray Water (LMW) Strategic Advisory Customer Committee (SAC) to provide specific feedback on any proposed buybacks related to the Murray Darling Basin Plan.

As background, the SAC represents the interests of LMW's 2,759 irrigation pumped district customers and 1,317 private diverters by supporting LMW to deliver timely irrigation water to its customers and by providing informed advice to the LMW Board on a range of policy and strategic issues that affect its irrigation customers.

The Victorian Mallee region comprises predominantly high value horticulture plantings, which rely on high reliability water shares (and allocation carryover) to ensure relatively constant annual average yields.

On behalf of the SAC, we have concerns that any further water buybacks may put our region at a much higher risk of reduced security of reliable water supplies which in turn could result in increased costs to consumers, threaten international markets and result in certain socio-economic decline.

Whilst we were pleased to see that the interim report highlighted the issue of NSW having not yet met its obligations regarding Water Resource Plans, the scale of unmetered and unregulated floodplain harvesting and significant non-compliance with its SDL in three watercourses, it fell short of recommending that the Federal Water Minister use the available 'step in powers' to force compliance.

- Currently a 64GL cap exists for floodplain harvesting in NSW, yet the NSW Government has proposed a 346GL cap with a 500% carryover provision which would allow up to 1729GL to be stored.
- Only 9 of NSW Water Resource Plans are operational, with the outstanding 11 not subject to any compliance enforcement by the Inspector General of Water Compliance.



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The SAC believes that commencing buybacks prior to these issues being resolved is irresponsible in the extreme.

As with previous buybacks, efforts to pursue the 450GL could be prevented by acting on the issues to free up the currently unmetered and unregulated water in the Northern Basin and using this to supplement existing environmental holdings.

We believe the Commission has failed to understand the economic and mental health issues on communities such as;

- Buybacks will force up the price of permanent and temporary water upwards which will render many forms of horticulture unviable during times of drought
- Result in a reduction of food production in the basin,
- Less fresh produce will equate to increased cost of living for all Australians,
- Reduce our competitive advantage on international markets,
- Buybacks will cause an increase in costs in pumped irrigation districts which will drive charges up as irrigators (food producers) leave, putting further stress on growers who stay,
- Exacerbating already high levels of mental health issues being experienced by the horticulture and agriculture sectors,

We seek that you reconsider your recommendation about favouring buybacks of water entitlements. Failure to do so will have consequences on the prices of food grown in Australia for all citizens.

If you would like to further discuss this issue please contact me through the Customer Relations Officer, David Zacher, at Lower Murray Water

Yours sincerely

**Frank Dimasi**  
**CHAIR,**  
**LMW STRATEGIC ADVISORY CUSTOMER COMMITTEE**