

Submission – Productivity Commission 2023 Review
Implementation of the Basin Plan

Murray Regional Strategy Group

The Murray Regional Strategy Group (MRSG) comprises industry, Indigenous, community organisations and irrigation groups in the NSW Murray Valley. Our organisation formed after the Member for Farrer Sussan Ley advised the 600 plus people attending a crisis meeting at the Deniliquin RSL in 2018, that we needed one voice on water issues.

Chair – Geoff Moar

1. What issues are important to you in implementing the Basin Plan?

- A plan that is built on evidence rather than modelling
- A plan that is built on truth and transparency
- A plan that is adaptable and flexible as new data and information becomes available
- A plan that focuses on quality outcomes, not volumes
- A plan that is for all people, production and planet

2. What lessons should be learned from programs aimed at helping communities adjust to the Plan?

- Frontier Economics in their Social and economic impacts of Basin Plan water recovery in Victoria, released in August 2022 have reported several studies reviewed for this report demonstrate that on-farm efficiency projects have negative socio-economic impacts. For example, the Sefton Report (Sefton et al 2020) included a finding that: “On-farm infrastructure programs have improved the productivity and viability of most participants but left non-participants at a competitive disadvantage”. Wheeler (2020) found that irrigators who received an irrigation infrastructure subsidy significantly increased (21-28%) their water extraction, relative to those who did not receive any grants. Aither (2017) found that on-farm efficiency programs with entitlement transfer would lead to a \$13 per ML increase in water allocation prices to irrigators in northern Victoria in average water availability years.

- The Murray Darling Basin Authority's Community Profiles demonstrate the ripple effect that removing water from communities extends beyond the farm gate, it infiltrates other sectors of communities like the service industry, processing, health, education and small business. Research indicates at least 10,801.5 jobs (fte) have been lost due to water recovery
- Time after time programs are designed and planned through a bureaucratic lens, they are not planned with practical knowledge, experience and understanding of locals. They are top down, which makes communities resentful and angry
- To achieve long-term sustainable outcomes programs need to be built from the ground up, with communities in the driver's seat.
- Programs are not aimed at helping communities adjust to the Basin Plan, the programs are forced onto them. The very few adjustment programs which were made available often land in areas outside the regions most heavily impacted by the Basin Plan

3. How well is the Plan addressing the interests of Aboriginal people?

- While we do not assume to have the right to speak on behalf of the First Nations People of this region, we are well aware there are many areas of cultural significance, as this region provided abundance for the first inhabitants
- The First Nations people of this region have a vast knowledge of environmental management, and it is our opinion their generational understanding and wisdom has not been given the value it deserves
- I hope that you will hear first-hand from representatives from Yarkuwa Indigenous Learning Centre about the devastating impacts implementation of the Basin Plan has had on sites of cultural significance

4. How could Basin Plan water recovery be done better?

- Our communities have lost count of the number of submissions, meetings, options, solutions and even protests we have completed/attended to put forward recommendations about how the Basin Plan can be better implemented, however they seem to fall on deaf ears
- We need a Basin Plan that focuses on environmental outcomes, not water-only recovery volumes
- By including community and locally led projects there is a better chance of long term sustainable outcomes, and by implementing recommendations outlined in so many of the independent reports and reviews (which continually highlight that the water cannot be delivered without unsustainable adverse impacts to private and public land and infrastructure), then we may have a chance of a better Basin Plan.
- If politics was taken out of the Basin Plan then we would stand a chance of implementing the Basin Plan better

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- If we recognised that environmental outcomes can occur on private property, and that over 90% of the Basin's wetlands are on private property, then we would have a chance of implementing the Basin Plan better
- If we had bureaucrats who genuinely wanted to work with communities (and I acknowledge there are some who do), bureaucrats who championed solutions and ideas which have not evolved in the concrete jungle then we would have a chance of implementing the Basin Plan better
- If we included multiple and complementary measures in the Basin Plan, then we would have a better Basin Plan, we only need to look on the NSW Irrigators Council website – Sustainability page to understand what can be achieved when locals are at the heart of achieving environmental outcomes
- Recognition that too many changes have occurred – eg locks, weirs, the introduction of invasive and pest species, levee banks, roads, schools, and hospitals, to return the environment back to how it was before European settlement
- Recognition that no amount of water recovered from the Southern Basin is going to prevent fish deaths in the Northern Basin and Darling system

5. What needs to change to deliver infrastructure and efficiency projects under the Plan?

- A change in mindset, which sees communities and private landholders as the solution, not something which needs to be divided and conquered
- Adaptability and flexibility, openness to new ideas and new projects
- Recognition that environmental outcomes occur on farms and private property as well as in National Parks
- Recognition that people are a part of the Basin and the environment, and their well-being is as important as winning the next election

6. How is environmental water improving the health of the Basin?

- While there are parts of the Basin that have benefited from environmental watering programs, and there is no question from a community perspective an environmental watering plan is needed, there is a flipside
- Increased carp breeding events, increased hypoxic blackwater events, increased native fish deaths have consistently been reported since implementation of environmental watering events
- The Barmah choke has lost 25% capacity since implementation of the Basin Plan
- There are serious local concerns about the degradation of forest health and loss of trees at sites that are repeatedly subject to environmental watering programs, along with rising water table concerns (in regions with significantly reduced irrigation)

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- And despite over a decade of implementation, fish kills in the Darling still shock the nation, which does not understand that 83% of the water recovered for the environment has come from the Southern Basin, and cannot be used to support environmental outcomes in the Darling system
- So while many might widely broadcast how wonderful environmental water is in improving the health of the Basin, for the \$13 billion it is costing, taxpayers should be questioning that value for money and its outcomes

7. What more could be done to support a healthy working Basin?

- To support a healthy working Basin, reviews like this one need to have a wider terms of reference, which are not designed to get the answers Governments want
- A Productivity Commission Review should be addressing issues such as – why from 2018 to 2020 farmers in this region were left on zero allocation, while conveyance and transmission losses skyrocketed because the Murray had to meet all of South Australia's demands (all 100%) because the Darling was offline. This resulted in prolonged flooding of the Barmah – Millewa forest. Imagine, significant forest inundation in a drought, with farmers on zero allocation
- Commissioners should be highly concerned that in this period wheat production and exports significantly declined, and in fact Australia imported wheat, which is practically unheard of
- There was a significant jump in dairy imports, there was a massive drop in both cotton and rice production, as were their exports and there was a major jump in rice imports, which given the efficiency of our rice farmers is a worrying situation
- All this just two years after a once in a lifetime flood event for the region
- In the last 12 months food prices have risen by 12.5% and they will only continue to increase if the Basin Plan continues on its current trajectory because we will be growing less food. Demand and supply economics will apply
- Frontier Economics have sounded a clear warning, their 2022 report concluded that even without further water recovery we will lose 25,000ha of horticulture and if the 450GL is recovered their prediction is we will lose 95,000ha of irrigated agriculture
- The Productivity Commission needs to be asking: Is this the sign of a healthy working Basin? Can everyday Australians afford the Basin Plan to continue being implemented without flexibility and adaptation
- A healthy working Basin needs a quality-based plan, which focuses on outcomes. We need projects developed and supported by communities. We know they exist; representatives of our organisation have attended meetings where they have been presented to agencies and Government, but red tape has hindered their acceptance and implementation
- Our members have been involved in a community monitoring program, yet there was reluctance by departments to collaborate or appreciate what communities have to offer

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- The question also needs to be asked, how can we have a healthy working Basin when just last month the Inspector General of Water told the Senate Estimates Hearing that he had limited powers in his role over state NRM issues, and it is the states who are implementing the Basin Plan
- We need honesty, we need politics and bureaucratic games to end. We need to recognise that water can have dual purposes, that environmental outcomes can happen on farms, recovering water from the Southern Basin will not help the Darling and we need to recognise storing these volumes of water and delivering them comes with unacceptable increased flood risks to private and public property and infrastructure

Commissioners, we call on you to look past the narrow terms of reference, which are clearly a Basin Plan tick and flick exercise. Please put the well-being of people and productivity on equal footing to the recovery of water volumes and timeframes.

It is your duty as productivity commissioners to assess job health, economic health and people health, and speak plainly about the concerns you will hear during these public forums and read in submissions.

Governments, bureaucracy and water agencies have an opportunity in front of them. With local knowledge, experience and understanding, local communities can provide smarter options that achieve environmental outcomes. These options will not only save the Government money, but will also protect the long-term affordability of staple foods for all Australians while improving ecological outcomes. The current Basin Plan will not prevent fish kills on the Darling, it will not meet the desired environmental outcomes for the Coorong, Lower Lakes and Murray Mouth. It will cost jobs, it will increase food prices, it will continue to cause bank erosion and collapse and can't be delivered without unacceptable flood risks to private and public property.

While so many are struggling with the growing cost of living, Australia cannot afford this Basin Plan. The very people who can help deliver better and more sustainable long-term social, economic and environmental outcomes honestly feel that bureaucrats and the Federal Government do not care for food and fibre producing communities in our region. They want political solutions, not environmental ones, and are prepared to sacrifice communities to achieve these political goals.