30th November 2010

Mr. R. Freeman,
Chief Executive Officer,
Murray Darling Basin Authority,
PO Box 3001,
CANBERRA ACT  2601

Dear Mr Freeman,

RAMROC SUBMISSION - GUIDE TO THE PROPOSED MURRAY DARLING BASIN PLAN

Introduction

The Riverina and Murray Regional Organisation of Councils (RAMROC) welcomes this opportunity to present a written submission in response to the MDBA Guide to the draft Murray Darling Basin Plan, which was released on 8th October 2010.

As you are aware, the Guide clearly reveals that a draft MDB Plan as currently proposed will have far reaching and adverse implications for the future of irrigated food production, employment and the future sustainability of rural communities throughout the Basin. Accordingly there has been very significant concern expressed at the Community Information Sessions conducted by MDBA over recent weeks since the Guide was released.

In addition to those community reactions Local Government Councils, Irrigation Associations and Corporations, rural industries and businesses and other key stakeholder groups from across four States, Queensland, New South Wales, Victoria and South Australia have been united in their opposition to the dire economic, social and human impacts which a draft Plan, with an almost entirely environmental focus, would mean for Australia’s future.

This RAMROC submission will cover the following:-

1. RAMROC regional profile
2. RAMROC’s Water4Food Program
4. Environmental Watering Requirements
5. Sustainable Diversion Limits
6. Social and Economic Considerations – including other studies, Strengthening Basin Communities Program
7. Parliamentary Inquiries – relationships and timing to draft Plan release
8. Food and fibre production and security – National and Global Considerations
9. Potential for Alternative Water Solutions

RAMROC has communicated extensively with Councils in New South Wales and Northern Victoria, Regional Development Australia, Murray Darling Basin Authority, local community organisations, industry and businesses and with key stakeholders.

RAMROC and its Member Councils would certainly appreciate an opportunity to have a one-on-one meeting with the MDBA Chairman, Board and CEO in order to fully canvass the matters outlined in this submission.
1. **RAMROC Regional Profile**

RAMROC represents the interests of eighteen member Councils in the Murray and Western Riverina region of south west New South Wales.

The region covers an area of 126,595 sq km and has a total population of 165,474 (March 2010 ABS Statistics). The southern part of the region extends along the Murray and Lower Murray-Darling Valleys, from Greater Hume Shire and Albury City at the eastern end through to the South Australian border in the west.

The northern and western part of our region extends generally within the Murrumbidgee and Lower Lachlan Valleys, westward from Narrandera Shire.

A map showing the RAMROC region in its context to the capital cities of Sydney, Canberra, Melbourne and Adelaide, together with the boundaries of the 18 Council areas, is set out in Appendix One.

The RAMROC region has a mix of large regional centres, medium sized irrigation based towns and urban shires, through to a number of predominantly dryland farming shire areas, large in size but with a low population base.

The major regional centres are Albury City (pop 50,522) and Griffith City (pop. 25,703). A large proportion of the region contains significant irrigation areas, the largest and best known ones being Murray Irrigation, Murrumbidgee Irrigation and Coleambally Irrigation. There are also an extensive number of smaller private irrigation schemes and individual farm irrigators.

The region is an important food and fibre source for Australian consumption and for export purposes. The region produces a wide range of summer and winter grain crops, fruit, vegetables, horticulture, viticulture, dairy and livestock.

In 2005-2006, the Annual Gross Value of agricultural production was $2.2 billion at the farm gate and $9 billion value added. This represents 10% of the National and 25% of the NSW total agricultural production.

Agriculture directly employs 30,000 in the region, which is 37% of the total regional employment. Processing and transport employs an additional 17,000 people. Communities and businesses are therefore highly dependent on the agricultural sector – it is the key driver of most of the region’s rural economies.

2. **RAMROC’s Water4Food Program**

RAMROC has pursued strong representations to the Federal and NSW State Governments for the past three years, in relation to concerns about the potential impacts on agricultural production in the southern Murray Darling Basin and in turn to the real threats to the long term sustainability of irrigation communities.
These concerns of councils, regional food producers and communities in the region have been brought about by a combination of many years of extreme drought conditions, the projected impacts of climate change, the reduced water diversion limits foreshadowed in a new Murray Darling Basin Plan, and the Federal Government’s Water for the Future Program’s $3.1 billion buyback program of irrigator water entitlements already well advanced.

In late 2008, RAMROC convened two Leadership Summits, which brought together irrigation industry leaders and stakeholders, to discuss these critical issues. Arising from these Summits, it was decided to develop and undertake a Water4Food advocacy and marketing program, targeting Federal and State Governments, national and regional media, as well as citizens in capital cities and regional areas.

This program is ongoing and has been advocated to Federal and State Government Ministers, presented at a wide range of conferences, seminars and forums and also to stakeholder and community organisations, and within the media. The campaign has been strongly supported and funded through local industry and business contributions, Chambers of Commerce, Service Clubs and individuals.

The program has engaged the support and participation of Councils in northern Victoria and has also attracted significant attention throughout the northern part of the Murray Darling Basin.

The principal objectives of the Water4Food program are to achieve:-

- A sensible and pragmatic balance between environmental water needs, maintaining irrigated food production levels and ensuring the long term sustainability of rural towns and communities, i.e. a triple bottom line balance of environmental, economic and social considerations;

- Fair and equitable treatment of Murray, Murrumbidgee, Lower Murray-Darling and Lower Lachlan valleys in relation to Federal and State Governments’ water acquisition programs;

- Long term fixed and guaranteed security of water resources, in order to maintain irrigated food production capacities;

- Funding for upgrading of irrigation infrastructure, on-farm efficiency programs and industry re-structuring;

- Funding for structural adaptation of RAMROC communities impacted by reduced water availability;

- Increased scientific R&D initiatives to secure food production at current or greater levels, in an environment of reduced water availability;


The Guide to the draft MDB Plan has clearly been predicated on the basis of an interpretation of the Water Act that gives virtually total priority and emphasis to environmental watering requirements, with the issues of economic and social considerations very much secondary.

This has resulted in the calculation of proposed Sustainable Diversion Limits (SDLs), being the quantities of water available for consumptive purposes (drinking water, industry, irrigated
agriculture etc), being based on the amount of water available, only after all environmental needs have been satisfied.

MDBA’s interpretation of the Water Act in formulating the Guide has meant that consideration of the outcomes of socio-economic studies undertaken to date have been a sub-set of the determination of the proposed SDLs. In other words, the socio economic studies are a product of the SDLs process, rather than a key contributor to the up-front calculation of SDLs.

The Commonwealth Water Minister the Hon Tony Burke MP has recently sought legal advice from the Australian Solicitor General in this matter. As a result, the Minister has concluded that the Water Act 2007, passed with bi-partisan support of both the Government and Coalition Opposition parties, does in fact provide for full consideration of economic and social issues.

Minister Burke has indicated on a number of recent occasions that the Government and the Coalition are strongly agree that the Water Act 2007 certainly allows for a triple bottom line approach, to achieve a balance of environmental, economic and social outcomes, and within the current structure of the Act provisions without the necessity of amendments.

MDBA is currently in the process of commissioning additional studies into the social and economic impacts. It is critically important that the draft MDB Plan from this point onwards is prepared on the basis of equal weighting being given to environmental, economic and social considerations.

4. **Environmental Watering Requirements**

The Guide to the draft MDB Plan indicates the following details in relation to environmental watering requirements:-

- **Surface water** required to meet the environmental requirements at a basin wide scale have been estimated at between 22,100 GL/y and 26,700 GL/y (long term average);
- This represents an increase of between 3,000 GL/y to 7,600 GL/y (long term average) – over and above the 19,000 GL/y currently available for the environment;
- This additional environmental water is required to be met from the current diversion limits;
- 2,442 environmental assets spread across the Basin have been identified – which includes 477 in the Murray region, 258 in the Murrumbidgee region, 73 in the Lower Darling region and 58 in the Lachlan region;
- 106 hydrological indicator sites have been identified – including 12 hydrological indicator sites to assess the water requirements for key ecosystem functions and 6 hydrological sites for key environmental assets;
- Proposed **surface water** reductions generally applicable to the RAMROC region in the 3,000 GL/y, 3,500 GL/y and 4,000 GL/y scenarios set out in the Guide are:-
  - Murray (NSW) - (28% to 37% reduction of current watercourse diversions)
  - Murrumbidgee (NSW) - (32% to 43% reduction of current watercourse diversions)
  - Lower Darling –(29% to 38% reduction of current watercourse diversions)
- Proposed additional **groundwater** requirements for the environment are between 99 GL/y and 227 GL/y. Of this, 43.2 GL/y (40%) is proposed to come from the Lower Lachlan Alluvium.
RAMROC comments on Environmental Watering Requirements as set out in the Guide

- Water reductions of the magnitude proposed would have devastating impacts on irrigated agricultural production in the southern Murray Darling Basin and in turn will impact severely on those communities that depend upon irrigation;
- The environmental watering requirements of up to 7,600 GL/y are supposedly based on “best available science”. However, over a very short space of time, we have seen these “best available science” watering requirements have increased at an alarming rate, from 1500 GL (about the time of the Living Murray initiative), to 2,500 GL (NRC River Redgums debate in early 2010), then to 4,400 GL (Wentworth Group of Concerned Scientists – also in early 2010), and now leaping to 7,600 GL/y;
- It is understood that these quantities have been calculated in the absence of expert advice or hydrological modelling by the NSW Office of Water and/or NSW State Water, or in fact by other State Agencies throughout the Basin;
- No consideration appears to have been given to the various State Government Water Sharing Plans, which already are in place and which already provide a comprehensive framework and basis for consumptive water uses, for environmental watering, irrigated agricultural requirements and which take account of economic and social issues;
- Minimal consideration appears to have been given to the potential for engineering solutions, which could increase the efficiency and effectiveness of delivering water to the identified environmental sites, particularly as alternatives to overbank flooding;
- Minimal provision has been made for major infrastructure and engineering works, which would achieve large scale environmental water savings, for example re-configuration of Menindee Lakes which has already been identified as having potential savings in evaporation of up to 400 GL/y;
- No consideration appears to have been given to the potential to significantly reduce the unacceptable levels of evaporation in the South Australian Lower Lakes, said to be in the order of 800 GL/y;
- A comprehensive Environmental Watering Plan, initially referred to as the basis of determining Sustainable Diversion Limits, has still not been prepared;

Other Comments regarding environmental watering generally

- The recent “Millennium Drought” has been one of the most severe in recorded history, most likely due to the typical long term climate fluctuations of eastern Australia. It is probable that that the ecological stresses apparent in the system over recent years were more due to the drought conditions, rather than water extraction for productive purposes;
- Anecdotal indications are that, following the substantial rainfall and flooding conditions in the Murray and Murrumbidgee Rivers over recent months, ecological indicators such as river redgums, waterbirds, frogs and native fish numbers have already significantly recovered, which lends support to the theory above. If this is the case, the environmental impact of irrigation water extraction may be far less than has apparently been assessed.
- It may take some time to really determine whether the ecosystems have or are returning to a healthy state. However, it would seem to be a far better option to wait and observe over a reasonable period of time, rather than implement actions that will have extremely adverse production and human impacts, which may be based on flawed and/or untested environmental assumptions;
- Following the recent high rainfalls and flooding of environmental sites, surely a thorough review of the environmental watering requirements assessed in the Guide
can now be carried out in co-operation with State Agencies, taking full account of the quantum of actual river flows which occurred and the degree to which the identified environmental sites were watered;
- To a large extent, irrigation itself provides significant environmental benefits throughout the Basin’s catchments – there appears to be no recognition given to such benefits and environmentally conscious farming practices.

5. **Sustainable Diversion Limits (SDLs)**

In respect of catchments wholly or partly within the RAMROC region, the proposed Sustainable Diversion Limits (SDLs) for the three scenarios of 3,000 GL/y, 3,500 GL/y or 4,000 GL/y additional environmental water take are as follows:-

- **Murray (NSW) – Surface Water**
  - At 3,000 GL/y: watercourse diversions reduced from 1,721 GL/y to 1,247 GL/y (28%)
  - At 3,500 GL/y: watercourse diversions reduced from 1,721 GL/y to 1,165 GL/y (32%)
  - At 4,000 GL/y: watercourse diversions reduced from 1,721 GL/y to 1,086 GL/y (37%)

- **Murrumbidgee (NSW) – Surface Water**
  - At 3,000 GL/y: watercourse diversions reduced from 2,061 GL/y to 1,396 GL/y (32%)
  - At 3,500 GL/y: watercourse diversions reduced from 2,061 GL/y to 1,281 GL/y (38%)
  - At 4,000 GL/y: watercourse diversions reduced from 2,061 GL/y to 1,169 GL/y (43%)

- **Lower Darling – Surface Water**
  - At 3,000 GL/y: watercourse diversions reduced from 55 GL/y to 39 GL/y (29%)
  - At 3,500 GL/y: watercourse diversions reduced from 55 GL/y to 37 GL/y (33%)
  - At 4,000 GL/y: watercourse diversions reduced from 55 GL/y to 34 GL/y (38%)

- **Lachlan – Surface Water**
  - At 3,000 GL/y: watercourse diversions reduced from 302 GL/y to 258 GL/y (15%)
  - At 3,500 GL/y: watercourse diversions reduced from 302 GL/y to 245 GL/y (19%)
  - At 4,000 GL/y: watercourse diversions reduced from 302 GL/y to 233 GL/y (23%)

- **Lower Lachlan – Groundwater**
  - The current diversion limit of 108 GL/y is proposed to be reduced to 64.8 GL/y (40%)
  - The current use is 117.9 GL/y – at proposed SDL of 64.8 GL/y represents a 45% reduction

**RAMROC comments on Sustainable Diversion Limits**

- The substantial reductions in watercourse diversions and groundwater extractions as proposed will have disastrous impacts on irrigated food and fibre production, resulting in serious flow on impacts to communities, associated industries, local businesses and services generally;
- The proposed SDL’s are predicated on the proposed additional environmental watering requirements, which are dealt with in Part 4 above of this submission;
- There is scope to minimise the proposed environmental watering requirements, through infrastructure modernisation and other engineering efficiency initiatives at the identified environmental sites, and within the on-farm and off-farm irrigation schemes and systems;
• Other methods and opportunities for securing additional environmental water need to be fully explored, for example annual purchase or lease of temporary water available on the market;

• In the final determination of the environmental watering requirements and SDLs, full account must be taken of all Commonwealth and State Government water savings projects dedicated to environmental flows already undertaken or yet to be undertaken (including Water for Rivers, The Living Murray and other programs), as well as taking full account of all of the water entitlements buyback programs both past and proposed;

• Minimisation of environmental watering requirements through better science and other solutions will enable corresponding increases in the SDLs.

6. **Social and Economic Considerations**

• In preparing the final draft Murray Darling Basin Plan, MDBA needs to take into account the legal advice of the Australian Solicitor General to the Commonwealth Water Minister Tony Burke MP and to give full and detailed consideration to achieving a triple bottom line balanced outcome between environmental, economic and social considerations.

• Minister Burke’s clearly stated objectives are to achieve outcomes that provide for Healthy Rivers, Food Production and Sustainable Communities

• It is a logical fact that any substantial loss of irrigation water from the Murray Darling Basin system will have significant social, economic and psychological/mental health impacts on farmers, families, communities, towns and businesses;

• Currently, there are huge discrepancies between the ABARE projected socio-economic impacts as set out in the Guide of only 800 job losses and only a $800,000 reduction in gross irrigated agricultural activity (based on 3,000 GL/y additional environmental water), in comparison to other socio-economic studies undertaken which have clearly demonstrated significantly greater adverse impacts;

• One such comprehensive study of relevance includes the work carried out by Judith Stubbs and Associates, which was presented to MDBA but apparently not considered to be of use. The Stubbs’ Study demonstrated very substantial impacts in respect of two LGA case studies in or close to the RAMROC region, namely Griffith City and Mildura City;

• In broad summary, the Stubbs study projects substantial impacts on employment and population in both cities, based on the potential 10%, 25% and 50% cuts in productive water availability. For example, using a potential 25% cut (somewhat less than the proposed 32-43% reductions as set out in the Guide), employment in Griffith would drop by 9.5% and population by 12.7%. In Mildura, again based on a 25 % cut projection, employment would drop 7.3% and population by 8.5%;

• Local Government Councils from throughout the Basin are already undertaking extensive community profiling and studying impacts of reduced water availability, under the Commonwealth Government’s Strengthening Basin Communities Program. The appointed MDBA Consultants should liaise closely with Councils in this regard, as part of the new economic and social impacts program;
• Chapter 7 of the Guide appears to be very general and simply concludes “that the Authority has judged that only with reductions in current diversion limits of 3,000 to 4,000 GL can it optimise social, economic and environmental outcomes, as it is required to do so under the Water Act. The Authority is concerned that reductions in diversion limits of greater than 4,000 GL would have implications for the social and economic fabric of the basin severe enough to prevent the Authority from complying with the Water Act”;

• However, Appendix C to the Guide’s Irrigation District Community Profiles for the Murrumbidgee Region (pages 899 to 937) and the Central Murray Region (pages 964 to 999), prepared by Marsden Jacob Associates clearly spells out the key issues for each of those regions and concludes inter-alia for each region that “water reductions of greater than 20% will result in many farm businesses becoming unviable, with direct flow-on impacts occurring at the community level”;

• It is concerning that MDBA seems to very much discount the thrust of the Marsden Jacob work. It concludes “It is important to note that this analysis of the potential social and economic impacts of reductions in current diversion limits starts with the assumption that no transitional support or assistance will be provided by government and, as such, represents an extreme scenario of what could occur. The Australian Government has clearly indicated that this will not be the approach”. This is seen as an attempt to gloss over the real outcomes of the report, and at this stage in the absence of any definitive assistance measures that would minimise the impacts.

• The new MDBA Study into the Assessment of Local Community Impacts must be undertaken having regard to the ASG legal advice. The Study must be comprehensive and thorough, examining in detail the potential impacts in each of the 19 MDBA regions, based on extensive community consultation and the development of practical case studies. It should also have due regard to the outcomes of other socio-economic studies already undertaken throughout the Basin. And based on the MDBA summation of the Marsden Jacob report, it must identify what measures the Australian Government proposes to mitigate the impacts, as well as quantifying the projected mitigation outcomes that such assistance measures would in practice achieve;

• The Project Brief for the new MDBA Study recently issued is of great concern, in that it appears likely to commence in early December 2010; is required to deliver initial findings and a Discussion Paper within 8 weeks (i.e. by the end of January 2011); then prepare a detailed draft report on the project (time not specified); then a detailed Final Report by 15th March 2011, which is to incorporate feedback from MDBA on the draft report and also for the consultants to participate in “up to” three public workshops to present the results of the project;

• The entire impacts assessment project is required to be completed by 15th March. This appears to be a rushed timetable and process, which gives RAMROC little confidence that the report will be thorough and comprehensive, or that it provides sufficient opportunity for community and stakeholder input.

• In the new socio-economic study Brief, there appears to be little indication that MDBA is proposing to take full account of the advice given to the Australian Solicitor General to Water Minister Burke, whereby the economic and social considerations are to be given the highest level of importance and weighting, as has already been given to the environmental watering requirements and SDL determinations.
7. **Parliamentary Inquiries – relationships and timing to Draft Plan release**

The Commonwealth Government has recently announced the setting up of two formal Inquiries in relation to the proposed Murray Darling Basin Plan, these being:

- The House of Representatives Standing Committee on Regional Australia’s Parliamentary Inquiry to be chaired by Tony Windsor MP. The Terms of Reference require that the Committee specifically focus on the socio-economic impact of the MDBA Guide to the proposed MDB Plan and initial submissions are required by 15th December 2010;

- The Commonwealth Senate Inquiry into the management of the Murray Darling Basin and the development and implementation of the MDB Plan, to be chaired by Senator Bill Heffernan. The Terms of Reference focus on a wide range of issues, including Australia’s food production, the global food supply, efficient water use, foreign ownership and the social, economic and sustainable impacts of the MDB Plan on the environment and rural communities.

It is considered very important the MDBA take full account of these Parliamentary Inquiries and their final reports and recommendations, preferably in conjunction with the release of the draft MDB Plan, provided that the respective timetables allow this to occur. This is particularly relevant in respect of the House of Representatives Windsor Inquiry, which proposes to report to the Government in April/May 2011.

8. **Food and fibre production and security – National and Global considerations**

- In preparation of the draft Murray Darling Basin Plan, the importance of food and fibre production and security, in both a national and global context, must be given consideration at the highest level;

- In 2005-2006, the gross value of irrigated agricultural production in the MDB was approximately $5.5 billion, representing around 45% of Australia’s irrigated agricultural production and 14% of overall Australian agricultural production;

- The total size of the MDB economy – in terms of gross regional product (GRP) – was around $59 billion in 2000-2001, representing around 8% of Australian gross domestic product (GDP);

- In 2006, the MDB accounted for approximately 10% of total national employment, employing around 920,000 people. Of these, 96,000 people were employed directly in agriculture and in agriculture related services;

- The worldwide human population is growing fast – from 6.5 billion in 2010 to an estimated 9.1 billion by 2050. Almost 1 billion people go hungry every day;

- Demand for protein food, especially in China and India, is rising even faster. Food wastage worldwide is also a significant issue and total food demand could therefore rise 110% by 2050, which will by 2050 represent a need to feed the equivalent of some 13 billion people;

- Sustaining the world’s food supply is the greatest challenge of our time – more urgent than climate change;
- The long term security and sustainability of Australian food production is absolutely critical to our national interests – both in terms of our economy and in protecting against the potential for future world instability;

- Therefore, just as Australia has global responsibilities for the environment, it has international humanity obligations as well – hence the critical importance of maintaining food production capacities in the Murray Darling Basin;

- Food production and food security are therefore very important components of the Murray Darling Basin Plan.

9. **Potential for Alternative Water Solutions**

- Insufficient consideration has so far been given to the issue of alternative water solutions for the Murray Darling Basin’s water resources and management. The draft Plan must not simply look at the problems that exist, it must also investigate potential long term solutions;

- RAMROC does not have the resources or technical expertise to recommend specific solutions, but it proposes that MDBA should in preparing the draft Plan investigate all potential options for the generation of new water sources for the Basin, as well as ways to better manage the existing resources within the Basin, including inter alia the following matters;

  - Harvesting and re-directing surplus water resources from northern Australia and the eastern seaboard in Queensland and New South Wales;

  - Increased innovation and development of cloud seeding technology;

  - New and innovative irrigation technologies and infrastructure, both on and off farm;

  - New infrastructure projects, including additional and/or expanded water storages, for example a new storage at Wellington in South Australia, or expansion of storages such as Lake Buffalo and Lake William Hovell in north east Victoria;

  - Engineering solutions to reduce major evaporation losses, e.g. Menindee Lakes, Lower Lakes;

  - Engineering solutions to more effectively and efficiently deliver water to the MDB environmental assets,

  - Ways to generate additional water supplies to capital cities and reduce reliance on the existing Murray River resources, e.g. de-salination plants and associated pipeline systems, new or expanded storages in capital city catchments;

The MDB draft Plan cannot be a complete and satisfactory plan, unless it identifies and investigates potential solutions to the problem.
Summary

RAMROC and Member Council acknowledge and welcome the MDBA’s decision to publicly release this Guide to the draft Murray Darling Basin Plan, as an additional step in the consultation process. The opportunity to provide this feedback to the Guide document is also appreciated.

However, the proposals for quantities of water proposed to be removed from productive purposes for additional environmental watering are unacceptable. Those proposals will impact severely on food production capacity and will in some cases decimate rural farmers and irrigation farming communities.

The RAMROC Executive Committee would therefore appreciate an opportunity to address the MDBA Chairman and Board, in order to expand on this submission and to fully represent the region’s communities.

We look forward to your response to that request in due course.

Cr Terry Hogan AM Ray Stubbs
CHAIRMAN EXECUTIVE OFFICER

See separate attachment - Appendix 1 – Map of RAMROC region and Member Council areas