

Murray Regional Strategy Group

Federal Water Minister –The Hon. David Littleproud
Visit Deniliquin – Murray Valley

*Thursday 1st November 2018
3.30pm Edward River Council Chamber*

The Murray Valley is at tipping point from water reform. The Southern Basin has contributed 82% of the water recovered under the Basin Plan. This does not factor in the contributions to the environment by the Murray Valley, pre Basin Plan

Key Messages

From Regional Stakeholders

1. NSW Murray does not support further recovery of water entitlements under the 450GL. Government needs to focus on 2750GL.
2. NSW Murray cannot withstand further negative impacts through government water policies.
3. NSW Murray Support in principle of the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) in the Southern Basin, however projects must be flexible, adaptive, with capacity for new projects to be included.

Key Outcomes

1. Recognition by government of the disproportional socio-economic impacts to the Murray Valley
2. Adaptive and Flexible approach to further implementation of the Basin Plan for the long term sustainability of the entire Basin
 - Sustainable Diversion Adjustment Mechanism (SDLAM), including revision of current projects and addition of new projects
 - Capacity for legislative change and flexibility by the MDBA to incorporate improvements into the Basin Plan
3. Extension of Water Resource Plans Time frames to recognise the scale of NSW government requirements.

Background Briefing – Key Messages

The NSW Murray Valley is at tipping point, General Security Entitlement Holders have had their access and reliability eroded due to a culmination of reasons.

Due to the cumulation of changes to water sharing plans, water storage rules, resource allocation determinations, significant reduction in the consumptive water pool through numerous water reform programs NSW Murray. Over the course of two decades NSW Murray has had their reliability reduced from over 75% to now closer to 51%.

An independent report carried out by RMCG found the following impacts on the Murray Valley due to the Basin Plan

- Using the average climatic scenario as the standard reference point, analysis suggests that taking 20% out of the consumptive pool through buyback has led to an average increase in temporary 'allocation' market prices of \$70/ML. This is close to doubling what would have been the market price.
- Reducing the size of the consumptive pool by 20% increases prices in average seasons from \$130/ML to nearly \$200/ML. That increases the number of years when rice-growers will sell rather than grow from 7 years out of 20 to more than 10 years out of 20.¹

Likewise, an independent report conducted by Aither on water markets in the Southern MDB also concluded that the impact of water recovery by the Commonwealth has been significant, stating –

Water allocation prices could now be 13 to 36 per cent higher in a moderate allocation season than they would otherwise have been without Commonwealth environmental water purchases (when the price would be \$101 per ML). The range reflects the estimates generated using different models, and is consistent with the results of previous analysis (Aither 2016a).²

1. NSW Murray does not support further recovery of water entitlements under the 450GL. Government needs to focus on options relating to the 2750GL.

The recovery of an additional 450GL will have diabolical impacts on the NSW Murray, whether entitlements are recovered directly or indirectly through the implementation on the 450GL of upwater.

The Murray Valley has already been indirectly impacted by water recovery through previous efficiency programs. Participants in other valley's who have participated in efficiency programs have then purchased water from the Murray to replace the entitlements which

¹ [Murray Valley Impact Study - RMCG](#)

² [Aither Report](#)

they returned to government. The Murray will be at significant risk to greater reduction of the productive pool from programs outside the valley.

Of the 2117GL of entitlements recovered under the Basin Plan 82% has come from the Southern Basin. Delivering and storing these volumes of environmental water will have consequences for both irrigators, riparian landholders and communities in the Murray Valley, these consequences are prior to the recovery of the extra 450GL. The constraints are yet to be resolved, the \$200 million set aside to mitigate these issues cannot be considered accurate or realistic. Recovering the additional 450GL before resolving constrains is futile.

2. NSW Murray cannot withstand further negative impacts through government water policies.

Prior to the Basin Plan the NSW Murray actively participated in many programs to the benefit of the environment, which have largely gone unrecognised.

NSW Murray is exposed to considerable further risks through implementation of the Basin Plan, including –

- Sustainable Diversion Limits Adjustment Mechanism project implementation
- Recovery of the 450GL
- Dam and River operational changes which may occur under the 450GL or the SDLAM

The myriad of creeks and streams which make up the Murray Valley, supplying both private and public property are essential to both environmental outcomes and the socio-economic wellbeing of the communities who make up the Murray Valley. These creeks and the livelihoods of those dependant on are at the mercy of operational decisions. If the river is run too high they will experience flooding, which may damage crops or cut access to property. If run too low at key food producing seasons then access to water for irrigation will be severely impacted.

3. NSW Murray Support in principle of the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) in the Southern Basin, however projects must be flexible, adaptive, with capacity for new projects to be included.

NSW Murray call on Governments to adopt a more **adaptive** pathway forward with Basin Plan implementation, and immediate consultation with regional stakeholders to provide more flexible options to delivering environmental outcomes.

The SDLAM business cases concept options were developed with unrealistic time frames. A full review is required to ensure a wider range of options can be considered in conjunction with effected stakeholders prior to community consultation on the projects.

Through out the course of any major project or event plans change and are adapted along the way to ensure that the best possible outcomes are delivered. The Basin Plan and the

SDLAM do not offer the flexibility that is required to ensure that the best possible outcomes for the environment and communities can be derived. By allowing new projects to be added in or swapped over time will ensure that the best outcomes can be released.

Background Briefing – Key Outcomes

1. Recognition by government of the disproportional socio-economic impacts to the Murray Valley

The impacts are evident in the Murray Darling Basin Authority's own assessment of Australian Bureau of Statistics socio-economic indices for areas (SEIFA)ⁱ in the southern Basin. Communities across the Murray Valley have shown a decline in SEIFA scores, taking above average communities to below average communities.

About one in three jobs in the southern NSW Riverina are on-farm or in agricultural manufacturing. Around 900 FTE agricultural sector jobs were lost between 2001 and 2016, with about half those lost between 2011 – 2016 after buybacks linked to the Basin Plan and despite the Millennium drought breaking. While the total workforce in this region declined over the same period, the decline in the agricultural sector was proportionately and significantly higherⁱⁱ.

The MDBA Community Profiles May 2018 show –

- Berrigan – Finley
 - Decrease in irrigation related employment by 35.4% (FTE)
 - Decrease in agricultural manufacturing employment by 32.1% (FTE)ⁱⁱⁱ
- Wakool
 - Decrease in irrigation related employment by 71.8% (FTE)
 - Decrease in agricultural manufacturing employment by 44% (FTE)
 - Decrease in population 45.6%^{iv}
- Deniliquin
 - Decrease in irrigation related employment by 73.1% (FTE)
 - Decrease in non - agricultural employment by 16.7% (FTE)
 - Decrease in population 12.2%^v

2. Adaptive and Flexible approach to further implementation of the Basin Plan for the long term sustainability of the entire Basin, including -

- Sustainable Diversion Adjustment Mechanism (SDLAM), including revision of current projects and addition of new projects
- Capacity for legislative and flexibility by the MDBA to incorporate improvements into the Basin Plan

To limit further impacts to Basin communities and to ensure long term environmental outcomes investment in the following projects rather than recovering entitlements from communities already at tipping point –

- Bring all regions across the entire Murray Darling Basin up to the equal standard for compliance, metering and measurement of water, by installing telemetry and metering in regions which are under metered.

- Invest in localised projects at the end of system to address South Australia’s concerns associated with the Coorong, Lower Lakes and Murray Mouth to look at more sustainable solutions. Revise current Basin Plan reliance on additional flows down the Murray River from mountain catchments.
- Incorporate option of an additional lock in South Australia (Lock Zero) to better manage Lower Lakes in times of extended drought periods.
- Invest in complimentary measures such as fish ladders, cold water pollution, native fish restocking, habitat rehabilitation
- Amend legislation to incorporate additional options to enhance environmental outcomes, which the *just add water* approach cannot achieve. Enhance capacity of the MDBA to incorporate change

3. Extension of Water Resource Plans

NSW Murray request an extension to the Water Resource Plan timeframe, the unrealistic goals set by the government and authorities have been highlighted in the Productivity Commission Report.

The NSW Murray will face further adverse impacts if these plans are not well resourced and well consulted with regional stakeholders, who have a lifetime of knowledge and experience which has largely been ignored.

NSW in comparison to other states have a considerably larger number of plans to negotiate and as an added complication the NSW Murray is impacted by three states WRP’s.

Although we recognise that the WRP’s are state based issues, the commonwealth has the ability to recommend the extension of these timeframes and to call for immediate well-resourced consultation to ensure the Murray is not further adversely impacted.

Murray Regional Strategy Group - Edward River Council, Murray River Council, Berrigan Shire Council, Murrumbidgee Council, Murray Irrigation Limited, West Corrigan, Moira Private Irrigation, Southern Riverina Irrigators, Rice Growers Association, Yarkuwa, Murray Valley Private Diverters, Speak Up, Dairy Rep

ⁱ MDBA 2018. Community profiles in the southern Basin. <https://www.mdba.gov.au/publications/mdba-reports/southern-basin-community-profiles>. Website accessed 29 October 2018.

ⁱⁱ MDBA 2018. Community profiles in the southern Basin. <https://www.mdba.gov.au/publications/mdba-reports/southern-basin-community-profiles>. Website accessed 21 October 2018.

ⁱⁱⁱ [Southern Basin Community Profiles - May 2018 Berrigan / Finley](#)

^{iv} [Southern Basin Community Profiles - May 2018 Wakool](#)

^v [Southern Basin Community Profiles - May 2018 Deniliquin](#)