

27 April 2018

Murray Darling Basin
Royal Commission
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To whom it may concern,

Murray Darling Basin Royal Commission – Issues Paper

Council appreciates the opportunity to provide a submission on the Murray Darling Basin Plan Royal Commission Issues Paper and acknowledges the complex environment and processes associated with the Plan. Key discussion points relevant to our geographical area have been outlined in the body of the submission.

Moree Plains Shire is located against the Queensland border of NSW and is bounded by the Macintyre River and Barwon River in the north and west. The Gwydir River runs through the Shire, noting that under natural conditions the Gwydir was a largely closed system, with only occasional flood overflows to the Darling system. Council's predominant interest in the Basin Plan is the vital role that high security water plays in the overall economic performance of the Shire. The recent Murray Darling Northern Basin Commission review has clearly established the severe economic impacts of water buybacks on the economy of the Shire, in particular Mungindi and, through the impact on the surrounding region, the town of Moree.

Council's key position is that the Basin Plan, for all its faults and limitations in both conception and execution, is better than no Basin Plan at all. Council does, however, consider that there are some key aspects of failure which need to be remedied so that the Plan can function as effectively as possible, in the interests of all the parties and stakeholders within the basin as a whole, and the northern basin in particular. These are outlined below:

Governance

Governance is a key issue with the Plan. Given the complex multi-jurisdictional arrangements, it is vital that governance arrangements at both Federal and State levels reflect an appropriate "separation of powers" in terms of Ministries and operational departments involved in the Plan.

In particular, Council advocates the separation of Agricultural ministries, from ministries involved with the management, monitoring and compliance of water use. This is a fundamental structural need to reduce both real and apparent conflicts of interest. This separation should be mirrored at Departmental level.

Management, Monitoring and Enforcement

Council is deeply concerned with the overall management, monitoring and enforcement of water use, particularly within the state of NSW. Council is aware of the water theft allegations that have been made, several of which affect properties within or adjoining the Shire. Council's position is that it is only where there is an effective management framework, backed up with effective monitoring and enforcement that accurate decisions can be made about water allocations in the future.

For example, the recent Senate issue with the Disallowance Motion has highlighted that without accurate knowledge as to what water should be available for the river, it is difficult to reach scientifically supportable conclusions about any reallocations.

State governments need to commit to an effective monitoring and enforcement regime around irrigator use of water. Council's view is that the vast majority of irrigators in our area are responsible, and organisations such as Gwydir Valley Irrigators have been positive and effective contributors to the Murray Darling Northern Basin Committee, recognising wider ecological and cultural issues as well as the importance of water security. There are, however, some irrigators who are not so responsible, and who need to be brought into an effective monitoring and review system.

Water Efficiency Works

There has been recent controversy regarding water efficiency works, including Federally funded works on a property in the greater Goondiwindi area. Together with concerns over aspects of management of projects proposed for the Menindee Lakes, this suggests that there is a need for both thorough scientific analysis of proposed water efficiency options, and also monitoring and review of effectiveness of the measures being funded.

Structural Adjustment

The recent Murray Darling Northern Basin Review has clearly identified that initial assumptions relating to economic impacts of water buybacks underestimated the flow-on effects of water buy-backs. In particular, compensation has been focused on directly affected license holders, which has failed to recognise the "knock on" effects on business that rely on irrigators, and the businesses that rely on those businesses.

A clear negative multiplier effect has operated within the Shire, which has lead (in the last intercensal period) to an 18% loss of population in the town of Mungindi alone. Competent economic modelling is required, moving forward, to ensure that there is a proper understanding of the impacts of any future reductions in the allocation of water, particularly high security water.

In addition, the funding has been very much "project focussed" and has not been within the context of fully-developed economic development strategies. Council suggests that a more effective and efficient use of compensation funds (other than directly to irrigators) would be through such a mechanism. As an example, Council is currently developing an Economic Development Strategy that will work within the context of the NSW State Government's Regional Economic Development Strategy and the broader New England North West Regional Plan.

Stability and Certainty

Certainty regarding allocations of high security water is the most critical aspect of security for irrigators and the rational allocation of investment funds. Opportunistic cropping taking advantage of lower security water can then also occur. Incentives for efficiency initiatives funded by water users should also be strongly considered.

Summary and Conclusions

Local Government is well placed to understand the economic impacts of change, and to be centrally involved in the development of compensatory economic development activity. Communities within the Shire depend on the Basin Plan operating in an efficient and effective manner, so that the necessary balancing acts between stakeholders can be informed in a scientifically sound manner.

Thank you again for an opportunity to provide a submission to the Murray Darling Royal Commission. If you have any further questions please don't hesitate to contact the Council by phoning (02) 6757 3222.

Yours Sincerely

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