



Balancing the Impacts of the Basin Plan

BASIN PLAN TO DATE

Background – Future Options

This document has been compiled by the Speak Up campaign and is supported by a range of organisations in the Southern Basin. It provides explanatory information as to why there remains strong community concerns with the Murray Darling Basin Plan and provides options which will be accepted within its framework.

SUMMARY OF ISSUES

The 2007 Water Act and the Murray Darling Basin Plan was to balance social, economic and environmental outcomes. To date 2100 GL has been recovered under the Basin Plan (1793 GL from the Southern Basin). The Plan's 2012 Regulatory Statement describes the potential impacts of the Basin Plan to affected communities as modest. By 2016-2017 the impact in the Southern Basin has had greater and more widespread impacts than previously anticipated.

Under the current situation our organisations make the following recommendations:

- No further water acquisition in the Southern Basin
 - allow the MDBA and Commonwealth Environmental Water Holder (CEWH) time to demonstrate the environmental benefits of the water already held in environmental accounts.
 - Assess what volumes CAN actually be physically and safely delivered in the Murray, Goulburn and Murrumbidgee Rivers without causing negative social or economic impacts.
 - Revise Basin Plan flow targets to South Australia and re- evaluate flow contributions from the Darling River
- Support 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. Projects must allow for relevant community input into design and development. Enable the inclusion of complementary measures to attain a suite of environmental outcomes.
- 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.

ISSUES OF CONCERN

While our communities acknowledge the need for a Basin Plan, the current model has failed us; environmentally, socially and economically.

- The MDBA's Regulatory Impacts Statement (2012) failed to adequately capture the extent and severity of the risks of the Basin Plan (2750GL) to irrigation dependent communities or include impacts to riparian landholders.
- Significant risks may occur from lack of community consultation (design/support/or agreement) on the Constraints Management Strategy and the Sustainable Diversion Adjustment Mechanism Projects (SDLAM) with affected stakeholders.
- Potential for substantial budgetary failures with SDL projects unless fully developed with local communities incorporating local knowledge
- Risk that the SDLAM projects are restricted by government decisions that prevent the development of additional projects and or other adaptive options to achieve environmental outcomes.
- Risks of further social and economic impacts in particular to the Murray Valley and Northern Victoria/Goulburn Valley if governments proceed with the additional 450GL. Additional flow volumes will also increase flooding risks in the Murray and Goulburn Rivers. (Note: The Basin Plan recovery target of 2750GL was expanded in late 2012 to include an additional 450GL which is subject to a social and economic neutrality test. Neutrality is defined as a single irrigator participating in an on farm efficiency scheme. There is no account for external impacts including future viability to irrigation schemes and to riparian landholders from proposed higher flow volumes in the Murray/Goulburn/Murrumbidgee River systems.)
- There has been no assessment of environmental impacts from higher volumes on the Murray, Murrumbidgee and Goulburn Rivers (eg. overbank flows, bank erosion, bank slumping, black water and carp breeding events etc.).
- Federal Government promised there would be no impacts to remaining irrigation entitlements' reliability arising from proposed changes outlined in the Basin Plan and Sustainable Diversion Adjustment Mechanism projects. There is no evidence that these risks are being addressed in the Basin Plan.

SOCIAL AND ECONOMIC IMPACTS

Independent studies have shown that the 2100GL recovered so far through the MDBP has contributed to, or been responsible for, significant socio-economic impacts to the Goulburn and Murray Valleys.

Murray Valley irrigation impacts:

- An economic loss of \$120 million at the farm gate.
- 30% decrease in rice production and 21% decrease in dairy.
- The average climatic scenario is the standard reference point, so this 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.
- Murray Irrigation now delivers on average around 750GL/yr compared with 1,350GL prior to the Millennium Drought. ⁱ
- The decrease in farm gate production flows onto another \$77 million loss in value add.

- The loss of a total of 678 jobs, with 471 lost in the contraction of irrigation itself and a further 207 lost due to flow-on effects.
- This represents \$21 million in lost salaries across the regionⁱⁱ.
- Population declines from 2001 to 2016 of: Wakool community – 45.6%; Denibootea community – 15.8%; Denimein community – 32.5%; Berrigan/Finley 20.4%. ⁱⁱⁱ

Goulburn Valley Irrigation impacts

- An economic loss of \$550 million a year.
- The loss of 1000 jobs.
- Reduced water availability due to buybacks is costing \$550m a year in lost production in GMID. ^{iv}
- Dairy is worst hit, losing \$200m at the farm-gate, \$360 million in processing output
- Mixed farming is losing \$25 million a year in annual farm-gate value.
- GMID irrigators paying \$20 million a year more for temp water than without the Plan.
- Impacts at least 50% worse if 450GL ‘upwater’ recovered from irrigators, regardless of the method. ^v
- During the 2016/17 irrigation season a total of 995,463 ML was delivered to GMW irrigation customers in the irrigation areas and regulated river systems, 308,040 ML less than the previous season 2015/16. ^{vi}
- Between 30 June 2001 and 30 June 2015 the volume of high reliability entitlements ‘tied to land’ in the GMID decreased from 1,648 GL to 992 GL, a 40% decrease. ^{vii}

RIVER CONSTRAINTS: Impacts to private property

Under the Murray Darling Basin Plan there is a new flow target of 80,000 ML/day at the South Australia border. The MDBA had made a number of assumptions about the volumes of water to pass primarily down the Murray River to achieve that target. To achieve that target, contributing flows also meant pushing higher flows down the Goulburn River and Murrumbidgee River although predominantly in the roll out of the Basin Plan indications are that the majority of impacts will occur in the Murray /Edward Wakool System and the Goulburn River.

The total number of properties potentially impacted is unknown and the MDBA cannot currently determine what end of valley flow percentages will come from which river to meet the 80,000 ML/day at the South Australia border (in set periods).

Reports undertaken do not take into account the lost production due to flooding events, or the operation of rivers and their tributaries.

FUTURE OPTIONS TO LIMIT SOCIAL AND ECONOMIC IMPACTS

SDLAM – Community support for projects can be achieved if the process is adaptive and flexible. It is critical that Federal and State Governments build in the capacity to incorporate new projects to achieve the full suite of potential credits and to maximise environmental outcomes (650GL or 605GL). Projects need to be well thought out and designed alongside communities impacted by the decisions/projects, which need to have adaptive and flexible management so that new and better projects can be invested in through the implementation.

Lock Zero – The construction of Lock Zero between Wellington and Tailem Bend would provide a much more cost effective way for managing the water security in drought periods in South Australia. (For more information on Lock Zero read “A Better Way For The Murray Darling Basin”^{viii} and ‘Barrages Should Stay’^{ix} by Ken Jury, Senior Investigative Journalist (Marine & Aquatic Ecology).

End of System management – Federal Government/State investments in locally driven solutions for environmental issues affecting the Coorong, Lower Lakes and Murray Mouth is essential to achieve sustainable long term outcomes. Investigation of a range of options needs to be considered in future decisions by the MDBA in developing a more comprehensive and robust Basin. For example, investments to modernise the barrages can assist in achieving Lake Alexandrina salinity targets by



preventing marine inflows . This would reduce reliance on Murray River flows to achieve a Basin Plan salinity target for Lake Alexandrina (SA) which is limited by barrage operations/infrastructure which currently allows sea water entry during southerly swells. Investment to return a larger percentage of historical flows to the Coorong from the South East of South Australia has also not been incorporated into decisions of the Basin Plan. Refer : Murray Messages – 10 Steps to a Sustainable Basin Plan.^x

Compliance – investment in compliance within the Southern Basin has resulted in its systems being well metered and measured. Investing in the latest metering technology, both in river and at extraction points in the Northern Basin would solve a number of compliance issues for downstream communities and government. Investment in technology for the Northern Basin to ensure there are equally high standards across the entire MDB could be met by a portion of the money set aside to achieve the ‘upwater’.

Telemetry and stream flow gauging – Installation of telemetry streamflow and rainfall gauging in areas where there is currently a paucity of gauges, such as the unregulated tributaries and particularly the Upper Goulburn Catchment, so that river operators have the information and tools available to run a totally connected system.

Supporting Organisations

This Document has the support of the following organisations:

Speak Up Campaign Inc.

Upper Goulburn Catchment Association

Murray River Action Group

The South Australian Fishing Alliance

Griffith Business Chamber

Murrumbidgee Food and Fibre

Mid Murrumbidgee Landholders

Murray Valley Private Diversers

Berrigan Shire Council

(Endnotes)

- i [Murray Valley Impact Study](#)
- ii [Media Statement McPherson Media Wrap Around](#)
- iii [MDBA Community Profiles](#)
- iv [Basin Plan Impact Study GMID](#)
- v [Australian Dairy Industry Council, Impacts of Basin Plan](#)
- vi [GMW 2016-2017 Annual Report](#)
- vii [Frontier Socio-Economic Report Victoria 2017](#)
- viii [A Better Way](#)
- ix [Barrages Should Stay](#)
- x [Murray Messages - 10 Steps to a Sustainable Basin Plan](#)



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