



Mildura Rural City Council

**Murray Darling Basin Plan – Five Year Assessment
Productivity Commission Draft Report**

12 October 2018



Introduction

Mildura Rural City Council is located in North West Victoria and forms part of the broader Sunraysia Community. Mildura is the Oldest Irrigation Settlement in Australia and is a major service centre for surrounding towns and communities including areas across the border into New South Wales.

Agriculture, Tourism, Retail and the Service sector are key components of the local economy. Healthy rivers underpin human, economic, social and environmental wellbeing. Human health and the natural environment are closely linked: the health of human populations depends fundamentally on the quality of the environment in which we reside and on the capacity of the environment to provide goods and services.

Sunraysia is an innovative community willing to explore opportunities for the development of new industries to create a secure socioeconomic future. This will also assist in evolving existing industries which will need to integrate the sustainable use of water resources.

None of this will be possible if we do not have water security for our economic and social future.

Despite having no formal role in the institutional and governance arrangements for water, Local Government is well equipped to balance complex and often competing social, economic, and environmental needs within and across their municipalities. Local Government achieves this through legislated standards of discipline and governance and this might be a way of working through the planning issues in the future.

Local Government is intimately connected with the local area, the river, ecosystems, topographies, communities, industries and interests that make up the local basin environment.

Local Government has the skill and institutional capacity to inform policy development, has rich and established regional networks that offer an invaluable interface and is an effective resource for state and federal policy makers.

Local Government could play an increased role in the development, implementation and management of environmental water projects with a focus on ensuring the community is engaged and aware of the challenges, benefits and outcomes.



Recovering of Water

Council supports in principle transparency and accountability as outlined in draft recommendation 3.2 and supports targeting assistance for communities where substantial adverse effects have occurred due to water recovery as outlined in draft recommendation 3.3.

Supply Measures and Toolkit

Council supports in principle the improved transparency, accountability and governance measures as outlined in draft recommendation 4.1 to 4.5.

Continued re-adjustments to the Plan as a result of political pressures require ongoing analysis to determine if they accord with the best interests of Mildura Rural City Council (MRCC), with respect to either maximised outcomes for sustainable horticultural production, or healthy and flourishing river environs, notwithstanding the environmental benefits accruing from the SDL works. This is necessary to justify either MRCC support or active resistance. This is exacerbated in the absence of consolidated strategic guidance to the contrary.

The impact of the current changes along the Lower Darling River are of particular interest within the region. Reduction in Lower Darling horticulture and the Broken Hill pipeline from the Murray (to source Broken Hill water from the Murray instead of the Darling/Menindee Lakes) raise serious questions for the future.

The Menindee Lakes project to reduce evaporation could see a significant reduction in water held at Menindee, with the water diverted for other purposes. These measures could result in less water reaching the Menindee Lakes and even when water may get there in a flood, it may allow water to make its way to the Murray far quicker than would naturally occur.

This also has significant implications for the environment (i.e. the Menindee Lakes, the Lower Darling, the Darling Ana branch), and the Murray downstream of Wentworth, which has flora and fauna that 'evolved' under a flow regime, including input from both the Northern Basin (Barwon-Darling system) and the southern rivers (Murray, Murrumbidgee, Goulburn etc).

These measures would also potentially facilitate northern NSW irrigators to carry on extracting at the current (or even increased) levels, because if NSW allow the water to get to Menindee Lakes it becomes 'shared' with other states.

Reduced flows from the Darling would potentially impact licence holders in the South (NSW Murray and Murrumbidgee, VIC Murray, Goulburn etc.) because



South Australian entitlements may have to come from these places instead of the Menindee Lakes.

Water Trading Rules

Council would likely support improved water trading rules that provide benefit and confidence to our local community.

The ongoing expansion of irrigated agriculture upstream from Mildura, on both sides of the Murray River, is a major concern to this community. When another drought occurs, it is our view that these developments will further magnify the issues, creating an environment where large irrigators with the financial capacity will survive, while smaller irrigators, unable to compete, will suffer significant hardship and decline. As a consequence, this would further weaken and destabilise the social and economic fabric of our community. This is no doubt a concern for all irrigation communities, particularly those downstream of the major developments.

The Barmah Choke provides physical constraints on the delivery of water by restricting the flow of the Murray to around 10,000ML per day (the lowest flow in any stretch). A default trade restriction is in place at the Choke to deliver a trade balance which requires that trade downstream of the Choke may only occur when there is sufficient matching trade capacity available in the opposite direction. This means that people upstream of the Choke can sell water to buyers downstream of the Choke, but only if the same or greater volume of water has been transferred from downstream to upstream of the Choke first (web MDBA).

An area of concern is additional pressure for available water to head upstream and with consequential risk of supply issues during heatwave or drought conditions. Heightened concern arising from Lower Murray irrigators' demand peaking at 7,000ML per day during recent heatwave conditions is coupled with existing increased irrigation demand anticipated from continued growth in permanent plantings (mostly almonds), of which 4,500ha were planted last winter and another 15,500ha due to go in over the next five years. This is in conjunction with diminished contribution from the Murrumbidgee River as a consequence of mainly cotton irrigation development and uncertainty regarding the impact of NSW intended de-commissioning of two Menindee Lakes (Weekly Times March 2018). These risks are exacerbated in the absence of consolidated strategies to the contrary.

Recent changes to NSW policy allowing conversion of existing leasehold land (ie Western Lands) to freehold is coming into force in 2018. This will enable potential change of purpose restriction, currently applying to a significant area



of existing leasehold land to be removed, allowing additional irrigation development (web NSW Department of Industry). Given the area of land involved, the risk of even greater impact, and further to that as for the Barmah Choke above.

Compliance and Reporting, Monitoring and Evaluation

Council generally supports the recommendations in these two chapters that provide genuine improvement in compliance, reporting, monitoring and evaluation and provides the following specific response.

There must be mechanisms introduced that improve the management of our water resources, providing appropriate transparency and confidence in regard to how our water resources are managed. The introduction of an independent water ombudsman with the appropriate powers across all jurisdictions would ensure there are appropriate controls in place should issues arise that require independent scrutiny, investigation and determination.

There must be independent scrutiny that considers the best interests of all parties, ensuring transparency and compliance with existing legislation and agreements.

Expansion of irrigation activities throughout the Murray Darling Basin and in particular above Mildura must be considered in accordance with the variation in water availability due to drought and the potential impacts upon permanent plantings.

Water security and the prosperity of our community are dependent on the outcomes of the implementation of the Murray Darling Basin Plan.

We have had first-hand experience of the impact of low water allocations upon our community during the 2007-09 drought with 30 per cent water allocations. Evidence suggests if this was to occur again the impacts would be more devastating and far reaching.

Introduction of an independent body, such as a Water Ombudsman, that has the power to investigate environmental water issues, and more broadly, any water related issue across jurisdictions and state borders, would provide increased community confidence and compliance in how water is used and managed by government bodies and licensed users.

There needs to be an increased level of public reporting, on the evaluation and outcomes of the use of water, readily available to the community. A transparent process that allows the community to view where water is being used, how much is used and the environmental / economic benefits, would provide a broader community understanding of the process and outcomes.

There needs to be an increased level of confidence in the system and a commitment to ensuring appropriate monitoring and enforcement where appropriate.