

# Submission



*To: Department of Climate Change Environment  
Energy and Water (DCCEEW) Public Consultation - Draft  
Framework for Delivering the 450 GL of Additional  
Environmental Water*

March 2024

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Thank you for the opportunity of making this submission in relation to the draft framework for delivering the 450 GL of additional environmental water.

The Murray River Group of Councils (MRGC) believes that communities must be at the centre of the implementation of the Murray Darling Basin Plan and must be properly engaged, heard and responded to for the Plan to be a success.

As the tier of government closest to and most engaged with communities, Local Government is critical to this process.

The MRGC supports the balanced and careful implementation of the remaining Basin Plan commitments to sustain the long-term viability of our regional economy and the wellbeing of our communities and to deliver the environmental outcomes that will protect and preserve our region's ecosystems.

Our Group would welcome further detailed discussion with the Department as you move towards the detailed design of your plans to recover more water entitlement from northern Victoria.

As Chair, I invite senior representatives from the Department to meet with us at the MRGC to enable genuine community input into this process that will have significant impact on our region, our industries, our businesses and our residents.

Sincerely

A handwritten signature in black ink, appearing to read "R. Stanton".

**Cr ROSS STANTON  
CHAIR**



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## Contact

For further information or to discuss this submission in more detail please contact

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## About the Murray River Group of Councils

The Murray River Group of Councils (MRGC) comprises six Local Councils in northern Victoria: Mildura, Swan Hill, Gannawarra, Loddon, Campaspe and Moira Councils. The Group has been working together on shared issues on behalf of our communities since 2006.

Covering an area of 47,194 km<sup>2</sup>, our region is home to 166,000 Victorians, living in regional cities like Mildura, small rural settlements like Quambatook and Newbridge and thriving towns like Echuca and Yarrawonga.

Water is the lifeblood of our communities.



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Agriculture and food manufacturing drive our northern Victorian economy. Together they have a combined economic output in excess of \$8 billion, 43% of all local expenditure and one in four jobs in our region. Around half of all farm businesses in our region rely on irrigation.

The rivers, floodplains, lakes and wetlands of northern Victoria have enormous environmental value and are fundamental to our regional identity. Our region is home to four Ramsar wetlands: Hattah-Kulkyne, Kerang Wetlands, Gunbower and Barmah.

Our communities depend on a healthy Murray River system for drinking water and for recreation. Our tourism industry relies in large part on a healthy Murray River system as the single main attraction for the region.

The Murray River Group of Councils region is a great place to live, work, and raise a family in the 21st century. We have skilled job opportunities, strong communities, a beautiful natural environment, and more affordable housing than in cities. We want to see our region grow, and thrive.

This is why our Councils all support the balanced and careful implementation of the Basin Plan to ensure the best possible environmental, social, economic and cultural outcomes are delivered with the precious water resources we have.

## Submission

### Introduction

This submission is made on behalf of the six member councils of the MRGC and is submitted as a document to ensure that it responds not only to the survey questions but to all of the key concerns of our communities when considering the recovery of 450GL additional water from communities in the Basin.

Also in the interests of transparency this submission will be published to be available to our communities and other stakeholders.

### General Comments

#### Enhanced Environmental Outcomes

MRGC has concerns regarding the enhanced environmental outcomes. The MRGC region is home to four Ramsar wetlands and thousands of hectares of wetlands. The future health of these precious environmental assets is uncertain.

Chapter 13, Part 6, Schedule 5 of the Basin Plan sets out specific enhanced environmental outcomes which are the driver for the recovery of the 450GL.

Predominantly these are end of system outcomes to do with the Murray Mouth, the Coorong and the Lower Lakes. Two of the seven are whole of southern basin floodplain ecological health objectives.

MRGC notes the difficulty of the deliverability of environmental water now, and into the future to meet the end of system objectives.

Water entitlement recovered in northern Victoria, particularly upstream of the Barmah Choke and in the Upper Goulburn catchment is limited in its ability to reliably deliver end of system benefits.

Our communities are concerned about the increased flood risk of holding even more environmental water in Lake Eildon, Hume and Dartmouth, especially given the devastating recent flood events in our communities.

Easing constraints on the Goulburn and Murray systems is a hugely complex task. To many, easing constraints means flooding their land. With thousands of landowners and stakeholders affected the consultation process is lengthy and critical.

Our recent experience in northern Victoria of record flooding in 2011/12 and in 2022 shows that even catastrophic levels of flooding will not guarantee all floodplains are adequately watered.



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Delivering water from upstream Victorian catchments already causes in channel environmental damage and to some of our Traditional Owners it can mean the actual loss of country through erosion, bank slumping and tree loss.

Watering Victorian floodplain ecosystems is not possible without the infrastructure works set out under the Victorian Murray Floodplain Restoration Projects. Even with 450GL additional environmental watering and constraints eased, these ecosystems are at risk unless the VMFRP infrastructure is completed.

These projects are supported by our Traditional Owners as they will enable watering of country for cultural purposes and will protect the culturally significant landscapes of these wetlands.

It is essential that in all future water recovery efforts, more attention is paid to how the water entitlement recovered

### Water Recovery

MRGC welcomes the Department's intention to prioritise investment in water infrastructure projects. This will result in water entitlement being transferred to environmental water holders without loss of water available for production in our irrigation districts. MRGC sees this as the highest priority for water recovery.

MRGC and our communities are extremely concerned at the prospect of Buy Backs in the southern connected Basin. Open market buy backs are extremely damaging resulting in the so called "Swiss cheese" effect.

Open market buy backs have left the GMID with a patchwork of farms that have sold entitlement scattered throughout the irrigation district (see figure 1).

The end result is an irrigation network that has far less water being delivered over essentially the same geographical area and with fewer irrigators bearing far more cost.

When designing any future water recovery schemes, the Department must take into account the cumulative impact of purchasing entitlement from the GMID and other irrigation districts or diversion areas to avoid catastrophic outcomes.

Strategic, community led channel closure and system rationalisation accompanied by long term structural adjustment investment – while complex and more time consuming – is the only truly acceptable approach to Voluntary Water Purchase in northern Victoria.



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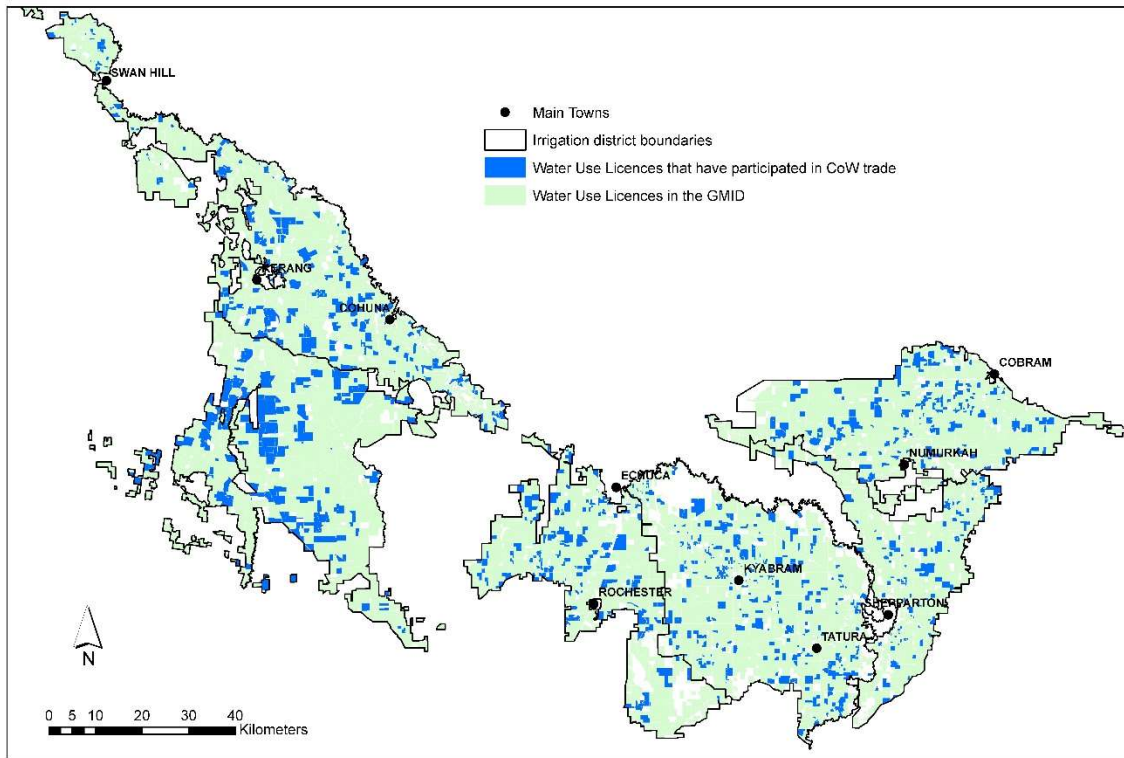
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**Figure 1. GMID Water Use Licence Distribution**

Buy backs have serious long term negative impacts for our industries and for the communities that rely on them.

On farm projects in the southern connected Basin also have serious negative impacts, driving up water prices even more than buy backs.

Similarly targeting private diverters with open market schemes will have negative impacts with many simply able to re-enter the market and purchase either entitlement or allocation water to replace that which they have given up.

Counting over recovery of Bridging the Gap water towards the 450GL is not supported as it would simply leave more water to be recovered overall.

Strategic water recovery involving the rationalisation of parts of irrigation networks is the most effective long term and sustainable water market approach.

The impact on our region's dairy industry is well documented. Any further reduction in productive water from the GMID risks major tipping point for the future of dairy in northern Victoria.



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## Extended Timeframes

While the extended timeframes for SDLAM and constraints projects are welcome, MRGC has concerns that these revised timeframes are insufficient, particularly for the scoping, approval and implementation of any new offset projects.

MRGC has been advocating for extended timeframes for many years. Formal advice on this from the Productivity Commission and others has been provided to the Government over a number of years. MRGC urges Government to work closely with States and other relevant stakeholders to enable the maximum possible offsets from the SDLAM projects, even if this means being flexible with timing.

Specifically, MRGC urges the Department to immediately finalise funding arrangements for the outstanding Victorian Murray Floodplain Restoration Projects. These will deliver high quality environmental outcomes for our region and our communities. Without them, the future of our precious wetlands from Barmah to Nyah and Hattah – Kulkyne is at risk – even if the full 450GL is recovered.

## Survey sections 1 and 2 - Leaseback and Land and Water Partnerships

Leasing arrangements for water entitlement, while potentially providing more flexibility or adding some timing benefits, fundamentally result in the same negative impacts on our communities as water purchase or on-farm efficiencies as they remove water from production and reduce the overall consumptive pool available for irrigation.

## Survey Question 3 – Socio Economic Impact

1. What are key lessons learned from previous water recovery programs that can inform practical approaches to minimising socio-economic impacts in the future?

Buy backs damage and divide our communities. Open market buy-backs result in the well documented Swiss cheese effect. Past water purchase schemes have left the Goulburn Murray Irrigation District (GMID) at a tipping point. Further “Swiss cheese” recovery will lead to system collapse.

The economic impact of buy-backs in our communities is not confined to agricultural jobs. The loss of production affects entire towns.

These impacts are well documented. Despite the Federal Government and some environmental activist academics claiming that the impact is not real, we have lived experience that confirms that the socio-economic analysis is correct.

The impact of lost agricultural production flows through our communities and exacerbates and accelerates many of the trends we see in our region that are affecting the long term viability of our towns and settlements. These impacts have been documented by the many socio-economic assessments done to date. MRGC urges the department to continue to genuinely engage with the Victorian Government and with northern Victorian Local Government on this issue to build a better genuine understanding of the data gathered over the past decade and of the lived experience of our communities. While important, this current consultation is not sufficient.

Local Government delivers essential services to our communities. We have seen the impact on our small businesses, our food manufacturers and the mental health of our residents.

## 2. How can local knowledge be captured and applied to develop practical approaches to minimising socio-economic impacts in program design and delivery?

Engage with Local Government. Local Government is the most connected level of government to the community and in order to both understand the impacts on communities and minimise the negative impacts of program designed as well as to maximise the benefits of investment, Local Government should be resourced to participate in the co-design of interventions / programs.

### **Survey Question 4 – Community Adjustment Assistance**

#### 1. Do you have any feedback on the draft program principles?

In general MRGC supports the principles. They are consistent with good practice for such programs. It is important that the Department delivers a program that is consistent with these principles.

1. Support diversification and resilience
  - Support transition of regional communities to prepare for a future with less water.
  - Focus on job creation and sustainable economies.

Principle 1 is supported. Economic diversification is essential. This must be in line with regional strategic economic objectives as noted below.

#### 2. Place-based



- Place-based and focused investment.
- Engage local people as active participants in development.

Principle 2 is supported.

### 3. Proportionality

- Investment to each state proportional to water purchased.
- Investment in each community proportional to impacts observed.

Principle 3 is partially supported. The water market in the Southern Basin is connected. Purchasing water anywhere in the southern connected basin affects water pricing and availability throughout. Apportioning community adjustment funds strictly proportionally to each community affected may result in unintended consequences. Investment decisions should be made based on regional and local strategic objectives for long term economic development and sustainability.

### 4. Co-design

- Co-design across government.
- Consultation with communities, First Nations, local government, and regional industries.

Principle 4 is partially supported. Co-design across government must include State and Local Government. For best outcomes, Local Government must be included in co-design, not just consulted. [See above response to Part 3 Question 2.]

### 5. Strategic alignment

- Consistent with Commonwealth Regional Investment Framework.
- Aligned with regional and First Nations' priorities and plans.

Principle 5 is strongly supported. Northern Victoria is strongly strategically aligned with regional economic development strategies (REDS) and other relevant plans and strategies sharing many objectives and enablers. Investment in community adjustment assistance packages in our region will be most effective if they are invested to support these strategic priorities.

### 6. Transparency and integrity

- Clear outcomes and objectives, and value for money.
- Transparency through administration and evaluation.

Principle 6 is supported.

### 7. Evidence-based

- Underpinned by agreed evidence and data.

Principle 7 is supported in principle. MRGC does not support the notion of "agreed" evidence and data. Evidence based policy is fundamental to good governance. "Agreed" evidence poses the question: agreed by who? The



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Federal Government has recently dismissed much of the extensive socio-economic work undertaken on the Basin Plan impacts including its own and even in house work, seemingly where it does not align with its current preferred options or plans. This has significantly eroded trust between communities that have experienced the impacts of basin water recovery and the Federal Government. If the Department is the ultimate arbiter of "agreed" then this trust will further evaporate.

## 2. What are key lessons learned from previous community adjustment assistance programs that can inform the delivery of the proposed Sustainable Communities Program?

Small scale competitive grants are counterproductive. They are open to political manipulation, are highly resource intensive for applicants and pit towns, communities and regions against each other. Many assets such as sporting facilities or community hubs provide a short term "sugar hit" but do nothing to retain population or increase jobs or economic diversity.

Projects that are co-designed by all three levels of Government and that leverage local or regional private sector co-investment are likely to have the most impact and have the highest chance of success.

Local Government is a fundamental part of Australia's federal system of governance. Local decisions are best made by local people and Councils comprise local democratically elected people there to make local decisions. We encourage you to take advantage of these existing legitimate governance arrangements and empower local people to make local investment decisions over their communities.

## 3. What kind of investments in communities do you believe would mitigate potential impacts of water purchasing?

Investment needs to be significant and at an early stage. They need to be long term and strategic.

Our region has aligned economic and regional development priorities that have been developed by Councils, industry leaders, state government agencies and our communities.

Investing in the resilience and sustainability of our agriculture and food manufacturing industries as well as in tourism and opportunities in renewable energy and the circular economy are consistent priorities across our region. The enablers that will support all of these priorities include improving digital connectivity, growing and building the skills of our workforce, improving transport



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connectivity and enabling housing availability and affordability for workers and families.

Transformational investments that are aligned with our region's strategic economic development priorities and leverage other large scale Government and also private sector co-investment are what will drive long term economic diversification across northern Victoria.

Investments that are co-designed by and responsive to local communities and that harness the local connection and decision making legitimacy of Local Government are those which will succeed and have long term benefit to our region and Australia.

## Conclusion

Water recovery through on farm programs or through voluntary water purchases will have significant negative impacts on our communities. MRGC supports the Departments stated intention of implementing system investments and other infrastructure projects first to minimise the reduction in the consumptive pool in the southern connected basin. Where water purchase is undertaken, MRGC urges the Department to undertake strategic programs, not open market buy-backs. MRGC strongly supports community adjustment investment that supports long term economic resilience and diversity in our region through carefully co-designed projects that align with regional strategic priorities.

MRGC is keen to meet with senior representatives of DCCEW to enable proper consultation and engagement on this crucial issue. As outlined, the recovery of water entitlement from productive agriculture in northern Victoria will negatively affect our entire region for decades to come. How it is managed will determine how negative the impacts are.

Please contact our Executive Officer Geoff Turner at [gturner@mgc.com.au](mailto:gturner@mgc.com.au) or 0419 030 314 to arrange a suitable time.



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