

Public Hearing: Inquiry into the management and use of Commonwealth environmental water

Date: 1 May 2018

Introduction – Use of Commonwealth Environmental Water (Mayor)

I'd like to start by saying - We believe this is about community water not just environmental water.

Mildura Rural City Council is located in North West Victoria and forms part of the broader Sunraysia Community. Mildura 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.

We believe 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 secure socioeconomic futures that can evolve 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.

The Murray River and associated tourism opportunities form an important part of the local economy.

As an example

Nationally, the nature-based tourism sector contributes \$23 billion to the Australian economy each year. In 2009, there were 3.3 million international nature visitors to Australia - 64 per cent of all international visitors to Australia (Tourism Research Australia 2009).

- it is estimated 721,000 Victorians participated in recreational fishing in 2008/09. This level is higher than the previous estimate made by the Department of Primary Industries (DPI) which estimated that participation was around 500,000 each year in Victoria;*
- the number of fishing trips taken in Victoria is estimated at an average of 12 per year per fisher with the total number of fishing trips undertaken per annum in Victoria by all fishers being estimated at 8.7 million;*

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Despite having no formal role in the institutional and governance arrangements for water and specifically environmental water, local government is well equipped to balance complex and often competing social, economic, and environmental needs within and across their municipalities. Local Government achieve this through legislated standards of discipline and governance.

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 an effective resource for state and federal policy makers.

Upon review and reflection, it is evident 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.

Reduced water allocations and drought is a genuine concern and fear within the community.

The most recent example I can give that is relevant to drought was when we experienced 30% water allocation which exposed the vulnerable nature of our community and the significant impact of drought upon the social and economic wellbeing of our community. The current evidence suggests our community is at greater risk due to our dependency on high security water.

Addressing the key items in the Terms of Reference (Cr Modica)

1. maximising the use of environmental water for the protection and restoration of environmental assets:

It is difficult for Council to sufficiently appraise the measures in consideration of the complexity of the system. The need for the maximised use of environmental water for the protection and restoration of environmental assets needs to be considered in conjunction with the political environment which competitively seeks to maximise consumptive use.

Council recognises the time and effort put into the identification of environmental assets of the region for environmental water. The MRCC is well positioned at the center of the basin, adjoining a significant length of the Murray River with significant opportunity for potential gain from the use of environmental water. This is evident in the broad range of projects and initiatives being undertaken locally. Council believes the majority of sites receiving environmental flows are being targeted for the protection and restoration of environmental assets along the Murray River Floodplain. It is difficult to comment on the prioritisation of flows given our relatively limited

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understanding of, or involvement in, the environmental water allocation, monitoring and evaluation requirements.

MRCC is not fully aware of whose responsibility it is (other than it is a Victorian State Government commitment) to prepare the Water Resource Plan for the area containing MRCC, which will set the environmental priorities and is required to be in place by June 2019, in accordance with the Murray Darling Basin Plan. Local government has no formal role nor responsibility for the development or delivery of the Water Resource Plan for our local area, however there would be benefit in Council being involved if the opportunity arose to provide broader community input.

The Hattah Lakes environmental watering program is one of our most significant and iconic sites. There continues to be a significant amount of communication about the project during the construction of the pump delivery system and ongoing provision of water to the Hattah Lakes and associated floodplain. Other projects in the area are based around an engineering solution to deliver environmental water and include Mulcra Island and Lindsay River. The Mallee CMA has developed a Seasonal Water Plan which outlines the Environmental Water Program and advises community is involved in the process (MCMA Seasonal Water Plan Newsletter).

2. considering innovative approaches for the use of environmental water;

At a local, state and national level there have been a range of innovative projects undertaken.

Possible uses for environmental water could include the following:

- Acidification monitoring and prevention
- Blue-green algae flushing/prevention
- Control of pest flora and fauna

Council borders both NSW and SA, so consideration needs to be given to tri-state / cross border / local government priorities.

Proposals put forward for use of environmental water or SDL associated projects should not be considered or undertaken without scientific evidence. A rigorous process is required in the development and accountability of projects and the associated environmental impacts and benefits.

The current example of the Lower Darling River is a case in question. The development of the Murray Broken Hill Pipeline and alterations to the Menindee Lakes, along with potential reduced flows along the Lower Darling, will have significant environmental impacts upon the Lower Darling and potential supply implications for the South Basin, if reduced flows along the Darling are part of the plan and become normal practice.

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If the Darling does not flow in a healthy and consistent manner it will potentially impact on the Murray.

It is difficult to understand how the decision that will see the slow death of the Darling River will deliver a positive environmental outcome.

The Commonwealth Environmental Water holder is obliged to use its water for environmental watering and can be carried over or temporarily traded if required. Funds from traded water must be returned to beneficial environmental water related programs.

3. monitoring and evaluating outcomes of the use of environmental water:

Council has a broad understanding of the monitoring and evaluation outcomes for environmental water sites, limited to the information that is available to the general public.

There needs to be an increased level of public reporting on the evaluation and outcomes of the use of environmental 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 benefits, would provide a broader community understanding of the process and outcomes.

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, would provide increased community confidence and compliance in how water is used and managed by government bodies and licensed users.

4. options for improving community engagement and awareness of the way in which environmental water is managed:

The current approach seems esoteric and agency-dominated due to the technical expertise necessary to effectively engage and/or debate the issues, which are important to the MRCC community.

Improvement in community understanding is necessary, together with separation of the political maneuvering regarding the perceived economic and social impacts, thereby enabling improved transparency to the process. The current cross-over between approaches which seek to implement the management obligations to protect and restore environmental assets and those which seek to deliver improved environmental outcomes under the SDL Adjustment Mechanism in the Basin Plan provides confusion.

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An indication of this is the adversarial nature of the discussions around any matter relating to the MDBP at various levels of government. This leads to the perception that self-interest dominates decision making rather than sound, scientific and collaborative outcomes that benefit the environment and the community.

Council is not aware of a formal reference group for the prioritisation and delivery of environmental water in the region and suggest forming a group involving relevant agencies to increase transparency and awareness. This may include – LMW, Council, GWM Water, Parks Vic, DELWP, Landcare, Traditional Owners etc.

Other Matters (Cr Cirillo)

MRCC interests lie in both, where consumptive outcomes are necessary for productive agricultural outcomes derived from permanent plantings which are susceptible to a potential 'man-made drought', such as in the Lower Darling, especially from probable over-allocation and alleged water mismanagement. Similarly, the amenity and tourism outcomes rely on a healthy and vibrant riverine environment, free of impacts such as blue-green algal outbreaks.

As outlined by local growers

Locally there is a high level of understanding and interest in how water is managed for both irrigators and the environment.

A Local Grower Perspective

The outcome required is Sustainable Development:

- *Development for development sake is not a desired outcome, as is evidenced by the state of the Darling River.*
- *Development outside of the established weir pools at this point in time, is a major risk to the established pumped districts of Sunraysia.*
- *There has been no major investment in increasing storage capacity on the Murray system since 1974, yet development is proceeding at an alarming rate. Australia's population is increasing, placing further pressure on the River.*

*Furthermore, there is a major restriction at the Barmah Choke, which restricts the River manager's ability to deliver water downstream to Sunraysia. **Reduced flows along the Darling will worsen this problem.***

The response that is needed from a Policy perspective is that:

The present market based policy of both governments will lead to undesirable outcomes for both irrigators in this region and for the environment of the river. Continued development

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without taking into account the existing rights under high security licences will, in effect, lead to a man-made drought (as is evidenced by the Darling River).

NSW and Victoria must review the issuing of AUL taking into account the availability of water in the future and the capacity of the river to deliver water at critical times for Sunraysia.

It is not acceptable for Government to expect existing high security irrigators to manage the risks caused by new developers elsewhere on the river. In the real world, the organisation/business/government who causes the issue for other customers must bear the risk. Existing irrigators must not have their rights undermined through continued development and ill conceived policy settings, which will have unintended and disastrous consequences for Sunraysia's permanent plantings.

Failing changes to existing Policy settings by both Governments new development must have a caveat placed on new water licences so that in the case of a shortage of delivery of water, they will be the first to be restricted. This will ensure that existing users don't have their businesses placed at risk by new developers.

The community needs to have high security water preserved, to ensure the ongoing viability of permanent plantings in the local region and contribute towards the total Gross Regional Product of \$3.155 billion dollars.

Darling River

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 may result in less water reaching the Menindee Lakes and even when water may get there in a flood, it may be allowed 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.

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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.

Darling River Cont (Cr Modica)

1. Paying for a NSW project at Menindee, which will impact on the ecology of the whole Southern Basin (remember the Barwon-Darling-Murray pathway is critical to Golden Perch breeding, and the Lower Darling Cod population is critical if the Murray has Blackwater fish kills every time it floods now}
2. Will allow increased cotton production in the north.
3. Make Broken Hill residents reliant on the Murray instead of the Darling. There has been no public business case for this pipeline yet it's already agreed to and under construction – and it doesn't even run via Pooncarie, lower Darling horticulturalists or the town of Menindee.
4. Provide a reliable water source for any increased mining in far west NSW.
5. Potentially increase the dependence on the Southern rivers to meet SA entitlements (and in turn impact allocations for southern basin users)
6. Will the Lower Darling be sacrificed so that NSW can support more irrigation in the Upper Catchment? Southern irrigators are concerned their reliability will also be affected. Should spending be halted until all current reviews are complete, a call for a federal Royal Commission, compliance is in place in the North and a business case for the broken hill pipeline can be looked at

Summary and Closing

In closing, hopefully our presentation has presented a local perspective on key issues facing our community.

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 2007-2009 drought with 30% water allocations.

Evidence suggests if this to occur again the impacts would be more devastating and far reaching.

Governments have a responsibility to ensure the sustainability of our community and the fair and equitable distribution of resources. The Murray Darling Basin Plan is the vehicle to assist in delivering this outcome.

We do not claim to be experts in how the various actions and initiatives in the plan have been developed and determined – we are focused upon the delivery of the plan and the outcomes for our community that will ensure our sustainability and prosperity into the future.