Mildura Rural City Council

SUPPLEMENTARY AGENDA

Ordinary Meeting of Council

3:00pm Thursday 23 April 2026

VENUE:
Committee & Council Room
76 Deakin Avenue, Mildura

NEXT ORDINARY MEETING OF COUNCIL
3:00pm Wednesday 27 May 2026

Copies of Mildura Rural City Council's Agendas & Minutes
can be obtained online at **www.mildura.vic.gov.au**

INDEX

MARTIN HAWSON

CHIEF EXECUTIVE OFFICER

14 MANAGEMENT REPORTS

14.1 ENDORSEMENT OF MURRAY RIVER GROUP OF COUNCIL'S SUBMISSION TO THE MURRAY DARLING BASIN PLAN REVIEW DISCUSSION PAPER

Officer: General Manager Healthy Communities

1. Summary

The purpose of this report is to seek endorsement of the Murray River Group of Council's submission to the Murray Darling Basin Plan Review Discussion Paper.

2. Recommendation

That Council support the Murray River Group of Council's submission to the Murray Darling Basin Plan Review Discussion Paper as attached.

3. Background

Introduced in 2012, the Murray–Darling Basin Plan aims to improve the environmental health of Australia's most important river system while supporting the long-term viability of its waterways and ecosystems. A key objective of the Plan is to balance environmental water requirements with the needs of regional communities, industries and agricultural producers.

Council has played an active role in shaping and implementing the Basin Plan, providing a number of submissions over time. Through this engagement, Council has consistently promoted an integrated approach to water management—one that delivers balanced social, economic and environmental outcomes for Basin communities.

In May 2020, Council adopted its position paper, Call for Action on Murray–Darling Basin, to guide advocacy on behalf of the local community. The paper identifies 25 priority actions across a range of focus areas, including water management, governance and accountability, water markets and ownership, agricultural development, salinity, community sustainability, environmental watering, and broader regional interests.

The Basin Plan is now undergoing review by the Murray–Darling Basin Authority (MDBA), supported by the release of a discussion paper that explores current issues and potential reforms. This process also considers ways to strengthen First Nations engagement in water management and improve related outcomes.

4. Consultation Proposed/Undertaken

The MRGC's submission has been developed in consultation with the partnering councils and the City of Greater Shepparton.

It should be noted that the draft submission is potentially subject to minor changes following final consultation with member councils – including City of Greater Shepparton.

MRGC is seeking a resolution for this submission in the next week to meet the deadline for submissions. Should there be any material changes to the attached submission, the Mayor will determine if this requires further attention of the Council or can be approved under delegation.

5. Discussion

The Murray River Group of Councils (MRGC) is a collaborative alliance of six northern Victorian councils, including Mildura Rural City Council. Established in 1998, the MRGC provides a coordinated regional platform to advocate to State and Federal Governments on shared priorities, challenges and opportunities affecting the region.

Through a focus on collective advocacy, strategic alignment and information sharing, the MRGC strengthens the region's capacity to influence policy outcomes, secure external funding and respond to key cross-border issues such as water management, infrastructure and regional development. This collaborative model enables member councils to work together on complex issues that extend beyond individual municipal boundaries, while also supporting more informed and consistent decision-making.

Participation in the MRGC enables Mildura Rural City Council to both contribute to and benefit from a unified regional voice, improved access to funding opportunities, and coordinated approaches to addressing shared challenges. It also provides a valuable forum for collaboration, enabling councils to leverage shared knowledge, expertise and resources to achieve better outcomes for their communities.

In the context of the Murray–Darling Basin Plan Review 2026, the MRGC has prepared a joint submission in response to the discussion paper. Mildura Rural City Council has actively contributed to the development of this submission and supports the coordinated regional approach it represents. By presenting a clear and consistent regional position, the joint response reinforces shared priorities, strengthens the collective voice of the region, and enhances the effectiveness of advocacy on matters impacting Murray River communities.

6. Time Frame

Murray Darling Basin Authority Basin Plan Review Discussion Paper Consultation Period Finishes 1 May 2026.

7. Strategic Plan Links

This report relates to the Council Plan 2025-2029 in the Strategic Direction

Environment

Outcome to be achieved:

- Biodiversity is protected
- We take action to address climate change

Leadership

Outcome to be achieved:

- We use resources efficiently.

8. Asset Management Policy/Plan Alignment

There are no asset management implications associated with this report.

9. Implications

Policy
The MRGC's submission aligns with the Environmental Sustainability Policy (CP041).

Legal/Statutory
There are no legal or statutory implications associated with this report.

Financial
There are no financial implications associated with this report.

Environmental
Holistic and balanced management of the Murray-Darling Basin for improved environmental outcomes.

Social
Holistic and balanced management of the Murray-Darling Basin for improved social outcomes.

Economic
Holistic and balanced management of the Murray-Darling Basin for improved economic outcomes.

10. Risk Assessment

By adopting the recommendation, Council will not be exposed to any significant risk.

11. Conflicts of Interest

No conflicts of interest were declared during the preparation of this report.

Attachments
1. Murray River Group of Councils Basin Plan Review Submission [**14.1.1** - 33 pages]

Murray river group of councils

Submission

To the Murray Darling Basin Authority Basin Plan Review Discussion Paper consultation

1 May 2026

Mildura Rural City Council · Swan Hill Rural City Council · Gannawarra Shire Council · Loddon Shire · Campaspe Shire Council · Moira Shire

Submission on behalf of Northern Victoria from the Murray River Group of Councils and Greater Shepparton City Council

Thank you for the opportunity of making this submission in relation to the Murray Darling Basin Plan Review 2026.

This Review presents a rare and important opportunity for all Basin governments: Commonwealth, State and Local, alongside our communities and industries, to shape the Basin Plan into the effective, enduring water management framework it must be for the decade ahead.

The Murray River Group of Councils approaches this process with a clear message: the future health of our rivers and the social and economic prosperity of the people who depend on them are inseparable.

As the level of government closest to the Australian people, our Councils see firsthand how water policy affects households, farms, businesses and the environment. We are critical partners in making the Basin Plan work, not just on paper, but in practice.

This Review is Australia's chance to refine what has worked, fix what has not, and set a confident direction for the future: one that delivers healthy, working rivers, sustainable food production and thriving communities across the Basin for many years to come.

[signed]

Cr Dan Straub
Mayor
Loddon Shire Council

[signed]

Cr Daniel Mackrell
Mayor
Campaspe Shire Council

[signed]

Cr Stuart King
CHAIR
Murray River Group of Councils
Mayor
Swan Hill Rural City Council

[signed]

Cr Ali Cupper
Mayor
Mildura Rural City Council

[signed]

Cr Garner Smith
Mayor
Gannawarra Shire Council

[signed]

Dr Graeme Emonson
Chair Administrator
Moira Shire Council

[signed]

Cr Shane Sali
Mayor
City of Greater Shepparton

CONTENTS

About the Murray River Group of Councils

The Murray River Group of Councils comprises Mildura, Swan Hill, Gannawarra, Loddon, Campaspe and Moira Shires in northern Victoria. The Group has been working together on shared issues on behalf of our communities since 2007. Our primary role is to advocate for sensible policy and investment for the benefit of the region. MRGC has was formed around water policy in 2007 and water reform and especially the Basin Plan remains its core interest.

For this Review, the Murray River Group of Councils is partnering with City of Greater Shepparton making this a collaboration of seven Local Councils across northern Victoria, covering an area of 49,616 km2.

The region is home to 235,000 Victorians, living in regional cities like Mildura, Shepparton and small rural settlements like Quambatook and Newbridge and thriving towns like Echuca and Yarrawonga.

Agriculture and food manufacturing are key drivers of our regional economy. Combined these sectors account for 22,500 jobs and a combined economic output exceeding $10.7 billion.

Our member councils share many common economic, social, and environmental interests across the Victorian Murray-Darling Basin. Together, the Group advocates for policies and investment locally or across our region that will sustain the prosperity and resilience of northern Victoria for the benefit of our communities.

A balanced implementation of the Basin Plan has been the mainstay of our advocacy efforts since its inception to ensure thriving communities and healthy river systems in northern Victoria.

EXECUTIVE SUMMARY

The Murray Darling Basin faces a clear and pressing challenge: to reduce ecological stress while supporting the economies and communities who depend on the Basin, and to adapt to a drying climate marked by declining rainfall and inflows.

After more than a decade of water reform, felt most acutely in northern Victoria, Basin communities are seeking stability, certainty and consolidation.

MRGC approaches this Review with a clear message: the future health of our rivers and the economic prosperity of the people who depend on them are inseparable.

From Volumes to Outcomes

MRGC's central position is that the Basin Plan must now shift from a volumetric focus to an outcomes-based framework. Rather than measuring success by the volume of water recovered, the Plan must define clear, measurable ecological and socio-economic objectives and invest in the most cost-effective pathways to achieve them.

This shift would unlock a range of improvements that the current framework cannot deliver:

- Locally flexible targets tailored to the diverse conditions of individual catchments and communities
- Better integration of environmental watering with complementary non-flow actions such as fish passage, riparian revegetation, invasive species control and water quality improvements
- A more mature and flexible toolkit for environmental water holders, including greater allocation trading and more responsive operational settings
- Transparent trade-offs that provide an honest basis for future decisions in a climate-constrained and water-scarce future

Enough is Enough

The MDBA's initial SDL assessments demonstrate that sufficient water has been recovered to meet the Basin Plan's Environmental Sustainable Level of Take. Critically, these assessments also confirm that recovering the residual 300GL shortfall or the full 450GL will not change the likelihood of achieving environmental outcomes. Independent analysis by Frontier Economics reaches the same conclusion.

Make the Most of Every Drop

A decade of consolidation does not mean inaction. MRGC recommends that the focus of effort and investment over the next decade shift decisively toward maximising the ecological impact of the water already recovered. This means:

- Suspending open-market water purchase programs and redirecting funding to complementary environmental actions and infrastructure
- Progressing constraints relaxation in a staged, community-supported and cost-effective way, underpinned by robust legal and compensation frameworks
- Funding and completing the full suite of SDLAM and Victorian Murray Floodplain Restoration Projects, with extended legislative timelines where they provide value for money
- Working with communities at local and regional levels to identify further water efficiency opportunities and supporting the delivery of projects to realise those opportunities.
- Leveraging the $11 billion environmental water portfolio to generate a financial return that can fund the achievement of environmental outcomes

The Impact is Real and Ongoing

Independent analysis confirms that the Basin Plan's social and economic impacts on Northern Victorian irrigation communities have been severe and are materially understated in the Review. Basin-wide reporting masks the true scale of harm by aggregating irrigated and dryland agriculture, sectors with fundamentally different economic profiles.

Buybacks have removed around 800 GL from the consumptive pool in our region, stripping an estimated $225–525 million annually from the regional economy, suppressing GMID water use by an estimated 33%, and costing northern Victoria approximately 1,900 jobs, with flow-on factory closures, workforce erosion, and hollowing out of town economies across the GMID, Mallee and Lower Murray.

Our communities are the ones absorbing these cumulative impacts. They are already stressed by two major flood events and have low adaptive capacity and high vulnerability, meaning further water recovery risks crossing a genuine tipping point. Rural resilience is finite, transition support has been chronically inadequate, and the Basin Plan must be reformed to formally recognise, monitor and respond to these ongoing socio-economic harms.

Thriving Communities and Sustainable Agriculture

The Basin Plan must explicitly recognise that thriving regional communities and sustainable irrigated agriculture are not obstacles to ecological outcomes they are prerequisites for them. Northern Victoria's irrigated food production sector generates irreplaceable economic, social and food security value for Australia. Reducing domestic production simply shifts its environmental footprint to other countries, often with lower regulatory standards.

MRGC recommends the establishment of a permanent, legislated Basin Community and Industry Transition Fund modelled on the Future Drought Fund to provide stable, long-term investment in economic diversification, industry transition and community resilience across irrigation-dependent LGAs.

SUMMARY OF RECOMMENDATIONS

No.	Topic	Recommendation	Rationale
1	**Review Process**	MRGC recommends that MDBA undertakes targeted consultation with stakeholders on draft Basin Plan Review recommendations prior to finalising the Review Report and providing it to Government.	The current process does not provide an opportunity to comment on draft MDBA recommendations. A second, targeted consultation would allow the Authority to test its proposed changes and build stakeholder understanding.
2	**Outcomes-Based Framework**	MRGC recommends that The Basin Plan Review adopts an outcomes-based framework, with clear, measurable ecological and socio-economic objectives replacing the current volumetric focus as the primary driver of future policy and investment decisions.	The volumetric water recovery phase is essentially complete. Further investment in water entitlement returns ever-diminishing environmental benefits. An outcomes-based framework enables locally flexible targets, integrated catchment management, and transparent trade-offs.
3	**Sustainable Diversion Limits**	MRGC recommends that Sustainable Diversion Limits (SDLs) not be changed, as further water recovery cannot be justified at this time on environmental grounds.	MDBA's own SDL assessments demonstrate that recovering an additional 300GL — or the full 450GL shortfall — does not change the likelihood of achieving environmental outcomes. Frontier Economics analysis confirms a 'mixed response pathway' is required, not further volumetric SDL change.
4	**Water Purchase Programs**	MRGC recommends that Current water purchase programs be suspended and that funding be redirected to enable the efficient delivery and use of the current held environmental water.	The available evidence indicates we have reached the practical limits of useable environmental water under current system constraints. Further buybacks reduce irrigated production and community viability without achieving commensurate ecological outcomes.
5	**Complementary Non-Flow Actions**	MRGC recommends that The Basin Plan embeds integrated catchment land and water planning and investment in complementary non-flow actions to maximise the benefit of deliverable environmental water.	Actions such as riparian revegetation, fish passage, cold water pollution management, invasive species control and drainage management multiply the ecological value of held environmental water while

			rebuilding social and economic capital in regional communities.
6	**Constraints & SDLAM Projects**	MRGC recommends that Basin Governments methodically progress constraints relaxation and complete SDLAM projects where Value for Money and community support can be demonstrated.	Constraints relaxation must be staged, community-supported, cost-effective and underpinned by robust legal, compensation and governance frameworks. SDLAM and Victorian Murray Floodplain Restoration Projects must receive full funding with extended legislative timelines where projects provide value for money.
7	**Environmental Watering Toolkit**	MRGC recommends that the Water Act and Basin Plan be amended to provide environmental water holders with a more mature and flexible toolkit — including outcomes-based valuation, greater allocation trading, and more responsive operational settings.	The rules and frameworks within which environmental watering is managed have not kept pace with the scale of the environmental water portfolio. Greater allocation trading flexibility and improved delivery rules would enable more responsive and ecologically effective watering strategies.
8	**Environmental Water Asset Leverage**	MRGC recommends that The $11 billion held environmental water asset that environmental water holders manage on behalf of the Australian people be leveraged to provide a financial return that can be used to fund the achievement of environmental outcomes.	Even a conservative return on the $11 billion environmental water portfolio would provide governments with millions annually to invest in infrastructure and programs enabling water delivery to environmental assets — without further public expenditure on entitlement purchase.
9	**Socio-Economic Impact Recognition**	MRGC recommends that The Review formally recognise the cumulative, lagged and ongoing nature of socio-economic impacts in water recovery communities, and that the Basin Plan be amended to include explicit commitments to monitor, report on and respond to these impacts.	ABARES analysis shows all MRGC member LGAs score High on sensitivity and the majority score High on baseline vulnerability with Low adaptive capacity. Aggregate Basin-wide reporting masks the severity of impacts at the LGA level in irrigation-dependent communities.
10	**Basin Community Transition Fund**	MRGC recommends that The Australian Government establish a permanent, legislated Basin Community and Industry Transition Fund to support communities and industries affected by the long-term impacts of Basin Plan water recovery.	One-off adjustment programs have proven insufficient. The structural, cumulative and long-term nature of impacts — including lost jobs, dairy processor closures and population decline — requires a durable mechanism modelled on the Future Drought Fund, providing stable annual

			funding guided by a statutory plan.
11	**Food Security**	MRGC recommends that the Australian Government ensure that the Basin Plan and the government's Food Security Strategy are aligned and complimentary, not in conflict.	The Commonwealth is currently developing a National Food Security Strategy. The Basin Plan must take this into consideration and not continue with contradictory actions (such as further Buy Backs) that will add more pressure to agricultural food and fibre production.

Introduction

The Murray Darling Basin faces a clear and pressing challenge: to reduce stress on ecological systems, support the economies and vulnerable communities who live in and rely on the Basin, and adapt to a drying climate marked by declining rainfall and inflows.

After decades of water reform, felt most acutely in northern Victoria, communities are now seeking stability, business and social certainty and the consolidation of existing changes.

The Murray River Group of Councils (MRGC) shares the Murray Darling Basin Authority's (MDBA's) view that the Basin Plan's overarching aim must be Healthy Working Rivers, and this Review provides an important opportunity to ensure the Plan adapts to deliver that balance.

A Note on the Process

The Review process as designed, does not provide an opportunity to comment on the MDBA's draft recommendations for changes to the Basin Plan that arise from the Review and the initial 12 week engagement.

MRGC supports a key revision to this process, where the MDBA publish a draft summary Basin Plan Review Report with draft recommendations and undertake a second, targeted consultation process, engaging with key affected stakeholders.

This approach would enable the Authority to test its proposed recommendations and receive specific feedback for refinement and build knowledge and understanding of the proposed changes with stakeholders across the Basin.

REC 1	*MRGC recommends MDBA undertakes targeted consultation with stakeholders on draft Basin Plan Review recommendations prior to finalising the Review Report and providing it to Government.*

From Volumes to Outcomes

The Water Recovery phase is essentially complete

The Basin Plan was envisioned to address what has been described as the historic over-allocation of water resources in the Basin to irrigated food production. It has largely succeeded in achieving this goal.

The Plan's current settings, with a strong focus on volumetric water recovery, has supported the recovery of significant volumes of water for the environment. However, this has come at considerable financial and socio-economic cost.

The available evidence indicates we have reached the practical limits of useable environmental water within the restrictions of the regulated system.

It is clear that a continued focus on water recovery alone will not deliver the long-term ecological health envisaged under the Basin Plan. Further public investment in water entitlement purchases, including of the 450GL and the predicted SDLAM shortfall, will deliver an ever diminishing return for the environment.

With the water recovery phase essentially complete, a shift to an ***outcomes*** based framework is essential. The priority for the Basin Plan must now make the most of every drop of that recovered water, to achieve the outcomes we all need.

Put Outcomes at the centre of the Basin Plan to enable:

Clear definitions of what success looks like at both local and Basin scales and how success will be measured, providing greater clarity and community confidence in the Plan.

Locally tailored targets and solutions that align to the diverse conditions of individual catchments, rivers, wetlands and communities, instead of the blunt instrument of open market water purchases.

Better use of integrated catchment management approaches by encouraging the alignment of environmental watering with land, infrastructure and habitat management.

Use of essential complimentary measures to support and enhance environmental watering such as fish passages, water quality, riverine fencing, invasive species control or eradication, riparian planting & and so on.

Support for sustainable food production to be incorporated into the Basin Plan to rebuild investment confidence and maintain irrigated agriculture and food manufacturing in northern Victoria and the basin.

Recognition of cultural and recreational values in the Basin Plan to ensure the wide range of community supported values are explicitly recognised and underpinned by the Plan.

Trade-offs to be transparently made by providing a clearer and more honest basis for the coming difficult decisions in a climate-constrained future where water availability is increasingly variable and contested.

Frontier Economics' review of MDBA's modelling notes that the approach used 'does not clearly demonstrate the environmental outcomes attributable to important components of the response' and that 'additional scenarios would provide a more transparent basis for sequencing and prioritisation of potential policy interventions.' Modelling that tests the effect of a mid-step scenario at the originally legislated 2,750GL without the 450GL, and scenarios incorporating constraints relaxation would provide precisely the outcomes-based analytical foundation that this Review requires. (Frontier Economics 2026, p.34)

REC 2	The MRGC recommends that the Basin Plan Review adopts an outcomes-based framework, with clear, measurable ecological and socio-economic objectives replacing the current volumetric focus as the primary driver of future policy and investment decisions.

Enough is Enough

The evidence in the initial assessment of the Sustainable Diversion Limits (SDLs) clearly illustrates that in our region, sufficient water has now been recovered to meet the Basin Plan's Environmentally Sustainable Level of Take (ESLT).

The MDBA's initial SDL assessments plainly demonstrate that the ecological health Victoria's waterways will not be improved simply by further water recovery.

Of concern to MRGC is that while we have reached the limit of ecological benefit of water recovery, there remain critical ecosystem outcomes across our region remain rated Poor.

Analysis by Frontier Economics on behalf of MRGC supports this view. They confirm that the initial SDL assessments clearly reveal that recovering more water: either for the 450GL or to recover the predicted 300GL shortfall in SDLAM offsets, will not change the likelihood of achieving the Plan's desired environmental outcomes.

"In our view, the initial SDL Assessments suggest that achieving stronger ecological outcomes requires a mixed response pathway, rather than an excessive reliance on volumetric SDL change." (Frontier Economics, 2026 , p35)

Frontier Economics' unit-by-unit analysis of MDBA SDL assessments shows that across all three key Victorian resource units, current and full implementation scenarios project identical environmental outcomes, and the risks that remain are driven by flow patterns and delivery constraints — not insufficient water volume:

Table 1 – Analysis of Victorian SDL Unit Initial Assessments

	SS2 — Victorian Murray	SS6 — Goulburn	SS9 — Wimmera–Mallee
SDL Status	MDBA considers it 'likely' SDL reflects ESLT but identifies risk to environmental outcomes.	MDBA considers it 'likely' SDL reflects ESLT but identifies risk to environmental outcomes.	MDBA 'confident' SDL reflects ESLT, proposes SDL is maintained.
LoE1 vs LoE2	No material differences in likelihood of achieving ecological objectives — risks driven by system and delivery factors, not SDL volumes.	No material differences in likelihood of achieving ecological objectives — risks driven by system and delivery factors, not SDL volumes.	No material differences in likelihood of achieving ecological objectives — risks driven by system and delivery factors, not SDL volumes.
Implications	While additional water may improve outcomes, without addressing constraints and delivery patterns, Basin-scale floodplain reconnection cannot be achieved — limiting marginal benefit of further recovery alone.	Additional water alone cannot overcome physical and operational delivery limits. Resolving risk depends on constraints relaxation, operational reform and complementary works.	More water cannot achieve key terminal lake outcomes under current system constraints.

Source: Frontier Economics (2026), Table 6, p.38. "Across all three SDL units, the MDBA's own assessments point to the same conclusions: further water recovery alone will not resolve the environmental risks identified in the Basin."

Rec 3	MRGC Recommends that Sustainable Diversion Limits (SDLs) not be changed as further water recovery cannot be justified at this time on environmental grounds

The Basin Plan now needs a deliberate period of consolidation to allow focus on completing implementation in a way that strengthens, rather than destabilises, Basin

communities and enables targeting of ecological outcomes that have not been successful to date.

Over the next decade, effort should shift toward driving efficient environmental water use (as expected of all water users), improving system operations and delivering environmental outcomes locally, rather than pursuing further largescale, nonstrategic water purchases that erode community resilience, food production viability and add to volumes of held environmental water that cannot be delivered or fails to achieve meaningful ecological results.

Arbitrary, counter-productive and damaging timelines, such as those applied to Sustainable Diversion Limits Adjustment Mechanism (SDLAM) project, should be extended just as constraints deadlines have been, with future legislation avoiding rigid timeframes that distort water markets and create unnecessary social and economic harm.

It is time to move beyond the unhelpful framing of "Basin Plan 1 and 2" or "completing the Plan in full" and instead recognise the Plan as an ongoing water resource management framework that is focused on delivering its aims to ensure the Basin remains viable for future generations.

Make the Most of Every Drop

A decade of consolidation does not mean no action. In order to optimise and deliver on the environmental promise of the Basin Plan, the priority must shift to maximising the effectiveness of the environmental water which has been recovered, instead of pursuing further recovery. The next decade must see efforts of Basin Governments focused on enabling the best use of the water now held. This means:

- Complementary Environmental Actions
- Staged Constraints Relaxation
- Completion of key SDLAM and Water Infrastructure Projects
- An Enhanced Environmental Watering Toolkit
- Local and Catchment Scale Action

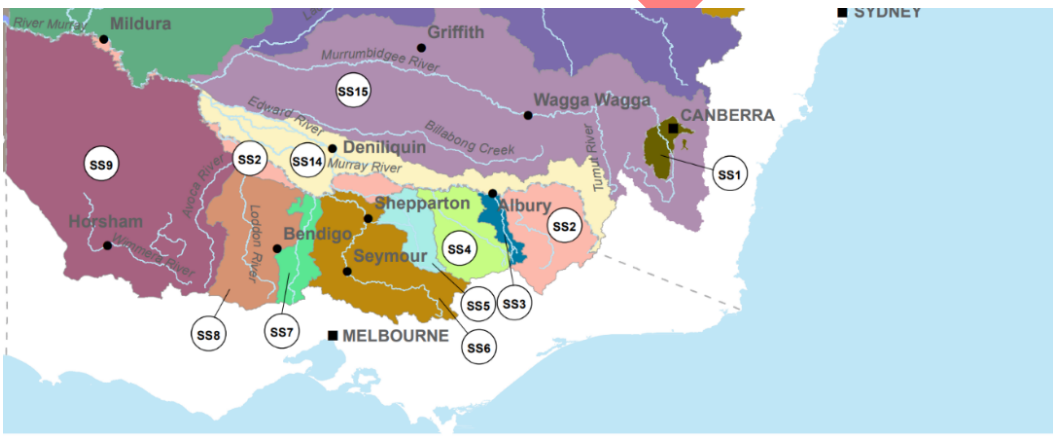
Rec 4	That the current water purchase programs be suspended and that funding be redirected to enable the efficient delivery and use of the current held environmental water

Complementary Environmental Actions

Complementary, non-flow actions are now essential to achieving lasting environmental outcomes in Victorian rivers. They must be prioritised in the next phase of the Plan and funded accordingly.

Such actions will multiply the ecological value of held environmental water and rebuild social and economic capital in regional communities.

Recent analysis from Frontier Economics supports this, finding that across all assessed Victorian SDL resource units — Victorian Murray (SS2), Goulburn (SS6), and Wimmera-Mallee (SS9) — the dominant drivers of poor ecological outcomes are flow patterns, delivery constraints and limits on floodplain connectivity, rather than insufficient water volume. Frontier concludes: "environmental outcomes may benefit little from additional buybacks, whereas other approaches that more directly support the achievement of environmental outcomes may be more appropriate (such as constraints relaxation, operational reform and enhanced water management)" (Frontier Economics 2026, p.40).



SS1 Australian Capital Territory (Surface Water)
SS2 Victorian Murray
SS3 Kiewa
SS4 Ovens
SS5 Broken
SS6 Goulburn
SS7 Campaspe
SS8 Loddon
SS9 Wimmera–Mallee (Surface Water)
SS10 SA Non-Prescribed Areas
SS11 SA Murray
SS12 Marne Saunders
SS13 Eastern Mount Lofty Ranges
SS14 NSW Murray
SS15 Murrumbidgee
SS16 Lachlan
SS17 Intersecting Streams
SS18 Lower Darling
SS19 Barwon–Darling Watercourse
SS20 Macquarie–Castlereagh
SS21 Namoi
SS22 Gwydir
SS23 NSW Border Rivers
SS24 Queensland Border Rivers
SS25 Moonie
SS26 Condamine–Balonne
SS27 Nebine
SS28 Warrego
SS29 Paroo
Not Basin water resources Excluded by Water Regulations 2012

Sources: Geoscience Australia © Topo 250K data (Series 3), Geoscience Australia © Topo 2.5 million data (2003), Murray–Darling Basin Authority © Surface water SDL Resource Units. Map updated:2018.

These include riparian revegetation; fish passage infrastructure and habitat restoration; water quality improvements including cold water pollution reduction; eradication of carp other invasive species; support for landowner actions including drainage and salinity control, nutrient reduction, riverine fencing, farm system transitions, and integrated land and water planning that empowers locally led, place-based solutions.

As will be discussed later in this submission, there is a very high public cost to the current water purchase programs to Victorians and to our communities in particular. This is paired, with a rapidly diminishing level of return for environmental outcomes from this significant investment.

Rec 5	That the Basin Plan embeds integrated catchment land and water planning and investment in complementary non-flow actions to maximise the benefit of deliverable environmental water

Staged Constraints Relaxation

The Discussion Paper places significant weight on constraints relaxation as a key driver of improved ecological outcomes under the Basin Plan. While reconnecting rivers to their floodplains is important, our Councils emphasise that this must occur through a deliberate, staged and carefully targeted approach, one that demonstrably delivers environmental outcomes, represents value for money, and maintains the confidence of the communities who live with the consequences.

We support progressing constraints relaxation where it is:

- supported by affected communities, whose livelihoods and assets are directly at risk from changed flow regimes;
- demonstrably cost-effective, with clear and measurable environmental outcomes relative to investment; and
- underpinned by robust and equitable legal, compensation and governance frameworks that transparently manage landowner risk and liability before any operational changes occur.

Analysis from Frontier Economics supports the ecological importance of constraints relaxation, noting that "relaxing river constraints in the MDB is essential for enabling higher environmental flows allowing water to flow over banks onto floodplains and into wetlands that have become disconnected from the main river channels" and is the primary mechanism for re-establishing natural seasonal flow regimes critical for ecosystem health.

However, Frontier also cites the Victorian constraints feasibility study finding that relaxing constraints would result in no change in environmentally desirable flow rates at the SA border, reinforcing that constraints relaxation should be targeted at the mid-

Murray and Goulburn systems where ecological benefits are demonstrably achievable (Frontier Economics 2026, pp.42–43).

This is also supported by recent work published by DEECA[1] assessing the Victorian Murray Floodplain Restoration Project (VMFRP) sites. This study concludes that the ecological outcomes needed at these sites, some of which are Ramsar listed wetlands, cannot be met by relaxing constraints alone.

Constraints relaxation in the upper catchments will be difficult to achieve and in the lower Murray floodplain will be inadequate on its own to deliver the environmental objectives. In the view of the MRGC, Governments must carefully consider the environmental return on investment achievable from the constraints projects.

Reconnecting Victorian floodplain ecosystems with their rivers is a long-term reform task. It will take at least another decade to progress responsibly. A measured approach is essential to manage risks to landholders and communities, maintain public confidence, and ensure investment delivers enduring outcomes.

Completion of SDLAM and Water Infrastructure Projects

The Basin Plan must recognise that easing constraints is not the whole solution. Even full constraints relaxation would not, on its own, deliver the ecological outcomes needed.

Recent independent analysis for DEECA concluded that at the Victorian Murray Floodplain Restoration Projects sites, easing constraints would not meet the ecosystem outcomes required. The report concludes that:

"Very few of the VMFRP ecological objectives and environmental water requirements (EWRs) at the eight VMFRP sites can be met by implementing the Constraints Measures Plan under historic or climate change conditions. They can be met by the VMFRP. VMFRP is required at all the sites to provide confidence that the ecological health of the waterway, wetland, forest and woodland systems will be protected and restored." (Wood, M 2025 "VMFRP Ecological Objectives and Relaxed Constraints Flows" p ii)

Several key SDLAM projects in Victoria are unlikely to be completed within the arbitrary timelines set by the Commonwealth and so have not received funding.

The legislative timelines differ from those imposed on the Constraints projects which have been extended for another ten years, although, to our communities, these differences appear arcane and arbitrary.

[1] Cooling, Wood and Lang, 2025, VMFRP Ecological Objectives and Relaxed Constraints Flows. P6

As analysis of The Living Murray (TLM) environmental works starkly illustrates how effective infrastructure works supporting environmental water delivery can be.

The environmental report cards for the Gunbower forest, where regulators have been used since 2013 and environmental conditions have improved, and the adjacent Koondrook-Perricoota Forest where regulators have not been utilised and ecosystems remain stressed.

"Infrastructure works have been shown to be effective in the management of risks to environmental outcomes. There are opportunities for further such investments, such as Victorian Murray Floodplain Restoration Project (VMFRP) sites that were proposed under SDLAM but are yet to proceed." Frontier Economics (2026), p.42.

MRGC supports the funding and full delivery of the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) projects and the Victorian Murray Floodplain Restoration Projects (VMFRP) in Victoria.

These projects have demonstrated their ability to deliver equivalent or improved environmental outcomes with less water and should be supported through extended timelines where they provide value for money and maintain community support.

These projects are essential to restore the ecological health of our greatly valued waterways and wetlands in northern Victoria.

MRGC strongly supports amending the legislative timelines and the appropriate investment in the full suite of VMFRP and other SDLAM and water delivery infrastructure projects to enable their successful completion.

MRGC further strongly supports the Basin Plan being amended to facilitate Basin States working with communities at local and regional levels to identify further water efficiency opportunities and providing additional funding for the delivery of SDLAM type projects to realise those opportunities.

REC 6	The MRGC recommends that Basin Governments methodically progress constraints & complete SDLAM projects to improve river-wetland connection where Value for Money and community support can be demonstrated.

An Enhanced Environmental Watering Toolkit

Irrigated food producers and processors across northern Victoria have adapted and become vastly more efficient in response to reduced water availability. A similar step

change in efficiency is now required in the management and use of environmental water.

The rules, tools and frameworks within which environmental watering is managed must be revised and enhanced. Achieving the environmental outcomes across the Basin will require an enhanced toolkit for environmental watering that provides greater flexibility and co-ordination for the delivery and use of environmental water.

This is supported by analysis from Frontier Economics which has led to the conclusion that:

"Given the large and mature portfolio of water entitlements held by the CEWH, and the sophistication of other aspects of environmental water management, the limits on water trading may no longer be appropriate — and may be constraining the optimal management of risk to environmental outcomes."

"Irrigators have become highly efficient — the environment needs to do the same. There is scope to enhance the environmental water management toolkit, enabling improved environmental outcomes from better management of the large environmental water portfolio accumulated through water recovery to date."
Frontier Economics (2026), p.43.

This will require a mature, enhanced and flexible toolkit for environmental water holders. Such a toolkit would involve changes to the Water Act and the Basin Plan such that:

- Greater use of allocation trading is enabled to better match water use with ecological needs, support seasonal cycles for all water users and perpetually return funding for ongoing environmental benefit;
- Delivery rules and operational settings are changed to enhance environmental water holders ability to order and deliver water and enable more responsive and locally appropriate watering strategies;
- Improved clarity and transparent of outcomes including achievability in a climate change future

MRGC supports the intent of the directions within the Discussion Paper to improve co-ordination, reduce duplication and strengthen prioritisation for environmental watering.

Environmental Water holders now manage a portfolio valued at some $11 billion. The opportunities this presents to provide value for the taxpayer as well as the environment are significant.

Leveraging this asset to provide even a very conservative return, would provide Governments with millions of dollars annually to invest in affected communities, aging water infrastructure or programs to enable the delivery of water

Realistic and achievable environmental objectives must underpin any revised framework. Frontier Economics notes that 'water recovery to pursue aspirational objectives does not represent good policy' where many environmental challenges arise from the regulation of water flows and associated structures rather than from extraction of water for consumptive uses. The revised Basin Plan must set objectives that can actually be achieved with the water and tools available. (Frontier Economics 2026, pp.42–43)

REC 7	The MRGC recommends that the Water Act and Basin Plan be amended to provide environmental water holders with a more mature and flexible toolkit — including outcomes-based valuation, greater allocation trading, and more responsive operational settings.
REC 8	The MRGC recommends that the $11 billion held environmental water asset that environmental water holders manage on behalf of the Australian people, be leveraged to provide a financial return that can be used to fund the achievement of environmental outcomes

Impacts Are Real and Ongoing

The social and economic impacts of the Basin Plan on our communities have been underrepresented in the Basin Plan Review. Although the Discussion Paper and the Evaluation work do recognise that impacts have been uneven, previous and recent analysis supports our lived experience that impacts in Northern Victorian irrigation dependent communities has been disproportionately high.

Frontier Economics specifically critiques the Basin Plan Review discussion paper for describing the Plan's effect on the Basin-wide economy as 'relatively minor' while noting only that 'some irrigation-dependent towns have been disproportionately affected.'

Frontier's key finding is that "basin-wide or catchment-scale reporting can materially understate the impacts experienced in irrigation-dependent areas" because "aggregation smooths over distributional effects by combining regions with fundamentally different production systems, land uses and exposure to water recovery." (Frontier Economics 2026, pp.6–8).

Frontier Economics examined the masking effect of aggregating dryland farming and irrigated agriculture in the Evaluation and its supporting analysis.

"Dryland and irrigated agriculture are not economically equivalent. Dryland is larger in aggregate because it occupies a far broader land base, and recent turnover strength has been supported by favourable livestock prices. Irrigation generates far

higher economic value per hectare, supports higher-value production systems and provides greater resilience through drought and market volatility… Accordingly, strong dryland results do not offset impacts in irrigation-dependent districts. Summing across irrigated and dryland land masks the fundamentally different risk profiles and understates irrigated agriculture's value, productive intensity and regional significance." (Frontier Economics (2026), p.22.)

Buybacks have fundamentally reshaped the socio-economic trajectory of Northern Victoria. The removal of around 800 GL from the consumptive pool has stripped an estimated $225 million annually from farm gate production and up to $525 million when flow-on processing impacts are included2. Reduced water availability has also driven a sharp increase in allocation prices, intensifying structural pressures across the region.

Frontier Economics provides additional quantification: "Across the last three years of data (2022–23 to 2024–25), GMID annual water use would have been in the order of 50% higher (than observed levels) in the absence of the observed Basin Plan buybacks", equivalent to saying that buybacks resulted in a 33% reduction in GMID water use. (Frontier Economics 2026, pp.12–14).

In the Lower Murray, the contraction has created a high-risk "horticultural squeeze", where permanent plantings with fixed water demands must compete in an increasingly constrained and volatile allocation market. The region is now locked into greater reliance on traded water, higher prices, and heightened exposure during dry periods.

Water demands for permanent horticulture in the lower Murray already require most of the available water to the consumptive pool (current, given current Basin Plan water recovery) in a dry period. This would shift into deficit if further water recovery occurred.

Updated water supply and demand analysis for DEECA[3] found "Commonwealth water recovery could further heighten pressure on horticultural headroom in both the connected and lower Murray regions"

The social and economic consequences are already evident in irrigation-dependent communities. Analysis shows that northern Victoria would have supported an additional 1,900 full-time jobs if buybacks had not occurred. In major dairy and mixed farming centres in the GMID such as Cobram, Kyabram, Shepparton and Rochester, the reduced milk pool has led to job losses and was a key contributing factor in milk processing factory closures in Rochester and Leitchville.

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[2] RMCG, 2017, Basin Plan GMID socio economic impact assessment
[3] Aither, 2026, Water Supply and Demand in the Southern Murray-Darling Basin p19

"The LGAs of Campaspe, Moira and Greater Shepparton in northern Victoria has one of the highest concentrations of dairy processing anywhere in Australia. The region's manufacturing sector generates $5.5 billion annually, employs more than 6,200 people and injects more than $500 million in salaries and wages into the local economies. Food and grocery manufacturing represents more than 60% of this activity and this is dominated (more than 52%) by the dairy industry."

Source: MDB Dairy Industry 2025 Strategic Plan (p.11), cited in Frontier Economics (2026), p.15.

In the Mallee and Lower Murray, communities with high water purchase activity and limited trade offsets including Swan Hill, Colignan and Red Cliffs have seen the Plan contribute to over 500 lost jobs. While larger centres such as Mildura and Cullulleraine have recorded stable or growing employment overall, estimates suggest job numbers would have been 5–10% higher without Basin Plan water recovery. Across the Lower Murray, smaller towns are experiencing a steady erosion of their economic base, workforce, and long-term resilience.

LGA	Impact on irrigated agri turnover	Multiple of southern Basin average
Shepparton	-4.15%	2.31x
Mildura	-3.15%	1.75x
Campaspe	-3.00%	1.67x
Moira	-2.35%	1.31x
Swan Hill	-2.35%	1.31x
Gannawarra	-1.70%	0.94x
Loddon	-0.70%	0.39x

Source: Frontier Economics (2026) analysis from MJA 2025, Figure 102, p.157. Note: this data captures only direct irrigated agriculture turnover impacts and does not capture interdependencies with processing, transport and service industries — meaning the true impacts are even larger.

Local Land Use Transition Requires Support

Water buybacks have progressively "dried off" previously productive irrigated land across the region. Soils poorly suited to dryland farming and increasingly unreliable, poorly timed rainfall and farm blocks that are often too small to sustain viable dryland operations, make dryland conversion unviable, while aggregation remains costly and capital-intensive.

Landholders are left with little choice but to shift to lower-value dryland use or abandon farmland altogether. Unmanaged land rapidly becomes overrun with invasive weeds and pests, creating fire and biosecurity risks and degrading environmental values. We have witnessed this first hand in Gannawarra Shire and across parts of Swan Hill

Local governments have limited room to respond. Planning controls restrict the subdivision or rezoning needed to unlock alternative uses. The result is extensive areas stranded between irrigation and viable alternatives, with no clear transition pathway, eroding productivity, suppressing local spending, and hollowing out town economies.

The Basin Plan needs to recognise and enable appropriate local and regional responses to these systemic problems to which it has contributed.

Regional Community Resilience Is Finite

Research from across Australia and the United States[4] shows that rural and regional resilience is a real but finite community asset. Rural communities often demonstrate remarkable capacity to cope with adversity through strong social networks, local knowledge and cultures of mutual support.

However, studies consistently show that with repeated shocks communities begin to experience exhaustion, declining volunteer capacity, worsening mental health, weakening local economies and erosion of social capital — a process described as 'resilience fatigue' or 'community disaster fatigue.'

Many of our MRGC communities have been impacted by widespread 1/100 yr flood events in both 2010-11 and again in 2022, affecting resilience.

Frontier Economics analysis shows that Basin Plan water purchase has further affected our communities' adaptive capacity:

Many irrigation communities have already absorbed substantial adjustment through prior buybacks, structural change, and ongoing water availability and price variability. Vulnerability indicators suggest MRGC LGAs combine high sensitivity and high vulnerability with limited adaptive capacity — further water recovery could be a tipping point for significant regional challenges.

TABLE: ABARES community vulnerability framework

LGA	Adaptive Capacity	Baseline Vulnerability	Sensitivity
Mildura	Medium (0.37)	Medium (0.53)	**High** (0.52)
Swan Hill	**Low** (0.21)	**High** (0.67)	**High** (0.57)
Gannawarra	**Low** (0.21)	**High** (0.70)	**High** (0.63)
Loddon	**Low** (0.12)	**High** (0.77)	**High** (0.65)

[4] Eg: Pittman et al, 2024 Resiliency fatigue for rural residents following repeated natural hazard exposure

Campaspe	Medium (0.40)	**High** (0.55)	**High** (0.58)
Moira	**Low** (0.25)	**High** (0.63)	**High** (0.56)
Greater Shepparton	High (0.49)	Medium (0.45)	**High** (0.50)

Note: To classify each LGA as Low, Medium or High, the 148 LGAs were ranked for each indicator and split into three equal groups. For Adaptive capacity, this means a 'Low' rating (0.0000 – 0.2729) indicates an LGA sits among the LGAs with the lowest Adaptive Capacity in the entire basin. For Vulnerability, a 'High' rating (0.5446 – 1.0000) indicates an LGA sits among the most vulnerable third of all Basin LGAs. Similarly, for Sensitivity, a 'High' rating (0.4236 – 1.0000) indicates an LGA sits among the most sensitive third of all Basin LGAs. Colour coding has been used: Green - Positive (high adaptive capacity OR low vulnerability/sensitivity); Yellow - Moderate concern; Red - Area of concern (low adaptive capacity OR high vulnerability/sensitivity).
Source: Frontier Economics analysis of ABARES community vulnerability framework

The table above shows that five of the seven LGAs rate high for both Baseline Vulnerability and Sensitivity, and every LGA in the group records a high sensitivity score. This reflects communities that are particularly exposed to water-related stress regardless of other factors. On Adaptive Capacity, five of the seven rate Low or Medium, with Greater Shepparton the only LGA in the high tier. Loddon stands out as the most acute case, recording the lowest adaptive capacity (0.12) and highest baseline vulnerability (0.77) of the group. This reflects that these LGAs have materially less capacity to withstand further impacts of water recovery. In essence it is evident that these LGAs are already operating under stress, having absorbed years of structural adjustment, and where further water recovery could be a tipping point for significant regional challenges. *Source: Frontier Economics*

Discussion of detrimental socio-economic impacts in the Basin Plan Evaluation and Review Discussion Paper repeatedly point to the resilience of Basin communities and their ability to adapt.

Governments need to recognise that rural resilience cannot be treated as an unlimited capacity that communities can continue to provide indefinitely.

Even where adaptive capacity is measured as being higher this reflects the fact that these communities have already absorbed significant adjustment. For example Shepparton plays a critical regional service role. It does not mean that the region is insulated from further impacts. To the contrary, the combination of high sensitivity and cumulative adjustment suggests that further water recovery could place additional pressure on systems that are already under stress.

Resilience needs sustained investment supportive governance and systems that work with rather than against local knowledge and capability. Without these, the adaptive capacity of regional communities will erode.

Local Government is uniquely placed to co-ordinate investment to build community resilience. We see the impacts first. We plan our communities' futures. We are accountable to the people most affected.

The inadequacy of past transition support is not just MRGC's view. Frontier Economics' independent analysis shows that the Commonwealth transition assistance has been chronically late and insufficient relative to the pace and scale of buybacks. The structural case for a permanent, pre-funded transition mechanism is clear. (Frontier Economics 2026, pp.27–30)

REC 9	The MRGC recommends that the Review formally recognise the cumulative, lagged and ongoing nature of socio-economic impacts in water recovery communities, and that the Basin Plan be amended to include explicit commitments to monitor, report on and respond to these impacts.

Thriving Communities and Sustainable Agriculture

As the MDBA has learned already through the consultation and engagement process of the Review, there is a strong consensus that the Discussion Paper lacks consideration of the role of the Basin Plan in supporting irrigated agriculture and Australia's food security and the communities of the Basin.

MRGC is of the view that the Basin Plan Evaluation, by utilising Basin Scale assessment and conflating dryland and irrigated agriculture data, has downplayed the impacts on our communities.

Recent analysis from Frontier Economics supports and quantifies this assertion. Frontier demonstrates that irrigated agriculture generates approximately $6,046/ha in gross value versus only $401/ha for dryland agriculture. This is a 15-fold difference in productivity per hectare. Growth in the gross value of irrigated agricultural production (GVIAP) has been negligible since the Millennium Drought while overall agricultural value growth has been driven almost entirely by dryland agriculture and favourable livestock prices. Using total agricultural value as a proxy for irrigation industry health is flawed as it "masks the fundamentally different risk profiles and understates irrigated agriculture's value, productive intensity and regional significance" (Frontier Economics 2026, pp.18–22).

Thriving regional and rural communities are essential to sustaining this productive capacity. However, the Basin Plan in its current form does not adequately recognise or support these communities, despite being the primary policy instrument shaping their future.

To ensure the Basin Plan genuinely strengthens regional Australia, it must explicitly embed clear objectives to maintain regional economic resilience, protect the long-term viability of domestic food and fibre production, and deliver fair outcomes for

Basin communities, recognising that strong communities and sustainable agriculture underpin the Basin's future.

The Critical Importance of Irrigated Agriculture

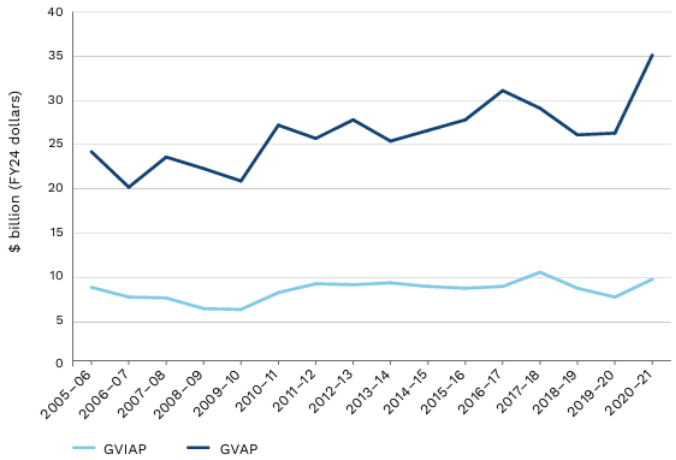
Irrigated agriculture in the Basin underpins a significant proportion of Australia's food production and will become even more critical in a climate change future.

In Australia, irrigation accounts for only around 5% of tilled agricultural land and around 0.58% of the national landmass, while dryland activities occupy around 54.2%. Despite this relatively small footprint, irrigation generates around 25–30% of national agricultural value and around half of agricultural sector profits. (Source: Eslamian, S., & Eslamian, F. (Eds.). (2023). Handbook of Irrigation Hydrology and Management: Irrigation Case Studies (1st ed.) quoted in Frontier Economics, 2026, p17)

Irrigation enterprises spend 60–70% of their income locally. A shift from a dairy farm to a small-scale cropping or grazing operation significantly reduces local service purchases, impacting small businesses and regional skills.

Irrigated agriculture supports communities. The density of farming enterprises that irrigated land use supports, the more stable and relatively higher returns and the highly integrated nature of food manufacturing with producers in our region has been a fundamental building block for our communities.

The Basin Plan Evaluation data shows that productivity for irrigated agriculture has not kept pace either with inflation or with dryland farming.



Source *- Source: MDBA Basin Plan Evaluation (p.173) quoted in Frontier Economics 2026*

Adjustment and Transition Funding

MRGC strongly advocates for the establishment of a long-term, place-based investment scheme to support economic diversification, drive new industry development, enable workforce transition and reskilling, and leverage private sector investment.

MRGC is agnostic about where this sits within the Commonwealth Government. Such a program may be best managed through the Regional Development portfolio with input from Water, Agriculture and others.

Such a program is essential to support the ongoing viability and vitality of our communities into the future. The long-term, cumulative and lagging socio-economic impacts of Basin Plan water recovery require a more durable and strategic response than has been provided through past adjustment programs.

One-off funding initiatives have proven insufficient to address the structural and cumulative effects of water buybacks on regional economies, industries and communities. A new approach is required that recognises that impacts will persist and play out over decades, particularly under a drying climate.

Frontier Economics analysis supports this finding, citing the Productivity Commission's assessment that 'where water purchase has contributed to Basin community adjustment pressures, transition adjustment assistance can help those communities better adapt to the change,' and the Sefton Review conclusion that 'past funding to support Basin communities impacted by water reform had not been targeted effectively.' Frontier also cites Productivity Commission guidance that programs are more effective when they leverage competitive strengths of local communities and are well-integrated with regional development strategies — consistent with MRGC's proposed approach (Frontier Economics 2026, p.30).

MRGC recommends the establishment of a permanent, legislated **Basin Community and Industry Transition Fund**, modelled on the Australian Government's Future Drought Fund. Such a fund would operate as a Trust, preserve its capital and provide a secure, ongoing annual funding stream to support regional economic development, industry transition and community resilience. This model would replace fragmented, short-term adjustment programs with a stable, strategic mechanism capable of supporting regional transition over multiple decades.

Funding would be guided by a statutory plan, informed by independent advice and regional consultation, and prioritise locally led, place-based initiatives that deliver measurable economic, social and environmental outcomes.

Investment from such a program would build on northern Victoria's established strengths, including high-value horticulture, dairy and advanced food processing, to position the region for a more resilient future. Without sustained and targeted investment of this kind, there is a real risk of ongoing population decline, reduced

viability of essential services, a steady erosion of regional resilience and increased national dependent of international food imports.

REC 10	MRGC recommends that the Australian Government establish a permanent, legislated Basin Community and Industry Transition Fund to support communities and industries affected by the long-term impacts of Basin Plan water recovery.

Investment in projects under this program must be guided by principles including:

Funding Certainty: Funding must be allocated according to a set of agreed principles, not delivered through competitive grants programs which are uncertain and costly for applicants and do not support collaborative regional working.

Regional Fairness: Funding should be directed to the irrigation local government areas in northern Victoria that have been and continue to be the location of water recovery and its impacts with benefits shared across the region.

Local Government involvement: Local councils are uniquely placed to understand our local communities, have strategic and community planning responsibilities and in some cases are best placed to deliver projects in our region. Local councils must be active participants in the development and allocation of adjustment measures.

Jobs for Jobs in Impacted Communities: Transition funding must create new, enduring jobs in the towns and communities where employment has been lost due to water buybacks and reduced agricultural activity.

Economic Purpose: Funding must prioritise projects that deliver enduring, structural economic benefits, rather than short-term or purely aesthetic or populist outcomes.

Proportional Allocation: Funding distribution must be transparent and based on a method that accounts for the impact on communities

Investment Confidence

Annual water deliveries to the northern Victorian region, both through the GMID and LMW districts are highly variable (due to seasonal variability, a reduced consumptive pool, and increased horticultural water use). This variability is a challenge to investment for irrigators, regarding on-farm investment and decisions to hold or terminate delivery share; for the network operators (GMW and LMW), regarding water delivery infrastructure in the districts; and in associated industries (such as dairy processing), regarding investment which relies on access to the product of irrigated agriculture.

This is supported by a key finding of Frontier Economics recent work "Basin Plan water recovery has significantly reduced overall water use in the GMID and contributed to its variability, which have created challenges for investment in the region." (Frontier Economics, 2026, p.6)

It is further supported by work published by DEECA on water supply and demand in the southern Basin.

This ongoing uncertainty driven significantly by buy backs, affects investment confidence across our region. Ongoing uncertainty about future water recovery and water policy settings is constraining long-term decision-making by irrigators, businesses and communities.

In response, there is a clear need for a period of consolidation to provide stability and restore confidence. Without this, there is a real risk of continued structural decline in regional areas. This is evident across a range of local communities in northern Victoria, where reduced water availability has reshaped food production systems, agricultural and water infrastructure viability, Council rate bases and community viability.

Importing food means exporting our environmental damage

Basin Plan water recovery has significantly reduced overall water use in the GMID and increased the price of allocations. This has reduced agricultural output in northern Victoria.

Reduction in domestic dairy and fruit and vegetable production is offset by increased imports.

Reducing domestic production does not remove environmental impacts it simply shifts them elsewhere. Managing our environmental footprint domestically, within a robust regulatory framework, is both an international responsibility and a strategic advantage.

Imported food also has a higher carbon cost – leading to higher emissions from global transport and less environmentally sustainable methods for expanding international food production with lower quality standards for consumers.

The Commonwealth Government is considering Australia's international consequences for Greenhouse Gas production, but not the consequences of decreasing food production globally in with a growing international population.

Food production in other countries may even come at a higher ecological cost for their environments.

Australia cannot simply export the ecological impact of its food consumption. We have a responsibility to work to reduce the impact here and manage it locally as imposed by the Commonwealth Government for greenhouse gas production.

Support for the Long Term Future of Irrigated Agriculture in Northern Victoria

The Basin Plan must include specific, targeted actions to support irrigated food production and the communities that depend on it. This includes incorporating the principles and priority projects identified in the Victorian Basin Plan Prospectus, which provide a clear, regionally grounded pathway for adaptation.

Rather than continuing the destructive "patchwork" exits of individual farmers (the "Swiss cheese" effect), which leaves remaining irrigators to pay for the upkeep of an oversized and inefficient system, the Prospectus proposes strategic rationalising irrigation networks by decommissioning inefficient infrastructure in parts of the system where water use has significantly declined where it is supported by the irrigators.

Local, community-led solutions will be critical to reshaping irrigated food producing districts so they are fit for the future. This includes reconfiguring infrastructure, supporting transitions where irrigation is no longer viable, and investing in new opportunities for economic diversification.

The Basin Plan must clearly recognise that water availability for food production, local food processing and supporting agricultural industries and business is essential for thriving regional communities and for Australia's food security.

The revised Basin Plan must enable and co-ordinate investment and policy to support:

- Aligning system changes with broader regional development goals to ensure the long-term benefit of any transition.
- Providing "sensible transition support" for farmers who may choose to move from irrigated production to alternative enterprises, such as dryland farming.
- Ensuring that those who wish to continue irrigating have the infrastructure they need to remain productive in a changing climate.

It is important to note that a "one size fits all" strategy will not work. Instead, working with local stakeholders, Councils and irrigated food producing communities to identify local opportunities in each catchment to improve system operations and efficiency while minimising social and economic harm will achieve the best long term sustainable results. Without such action, further policy settings that reduce water availability will continue to drive socio-economic decline.

Sustainable Agriculture and Food Security

The Commonwealth is currently developing a National Food Security Strategy. The Basin Plan must take this into consideration and not continue with contradictory actions (such as further Buy Backs) that will add more pressure to agricultural food and fibre production.

Responses to consultation on the National Food Security Strategy Discussion Paper included calls to better connect water management to ecosystems, food production, and regional livelihoods; outlined pressure from competing land uses and described the need for stronger planning. Support was expressed for climate-resilient and regenerative farming that improves soil and biodiversity. Locally adaptive responses were noted as being important. This aligns with the types of non-flow, complimentary measures that need to be implemented in order for the Basin Plan's objectives to be met.

As MRGC and many other northern Victorian stakeholders have repeatedly warned, the Commonwealth's open market water purchase program, which does not use a strategic planned approach to location, type and volume of entitlement purchased, risks pushing irrigation districts such as the GMID or industries such as dairy to collapse.

Reduced production and diversity of commodities increases Australia's reliance on imported food. This increases food insecurity and leaves us open to supply chain interruption as was experienced during the pandemic and is currently being felt due to the oil crisis.

REC 11	MRGC recommends that the Australian Government ensure that the Basin Plan and the government's Food Security Strategy are aligned and complimentary, not in conflict.

Conclusion

The Basin Plan Review provides a critical opportunity to reset the approach to Basin management.

The pathway forward is clear: move from a focus on water recovery volumes to measurable outcomes; maximise the value of the water already recovered; recognise and invest in the communities and industries that underpin the Basin; and enable locally led, flexible solutions within a clear Basin-wide framework.

A revised Basin Plan that adopts this approach will deliver more effective environmental outcomes, stronger regional communities and better value for public investment.

MRGC believes it has solutions to environmental, tax-payer and irrigator return on the Basin Plan's current and future investment into water reform, and would be delighted to meet with you to expand on, discuss or clarify any of the issues contained within this submission.

To do so, please contact Executive Officer Geoff Turner at gturner@mrgc.com.au or 0419 030 314

15 URGENT BUSINESS