



7<sup>th</sup> April 2020

Ms. Robbie Sefton  
Chair  
Socio & Economic Assessment Independent Panel  
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Canberra City ACT 2601  
[independentpanel@mdba.gov.au](mailto:independentpanel@mdba.gov.au)

Lodged via Electronic Mail

Dear Ms. Sefton,

**Re: Feedback on draft report**

The Gwydir Valley Irrigators Association (GVIA) is writing on behalf of our members to provide feedback on the draft report developed by the Independent Assessment of Social and Economic conditions in the Murray Darling Basin.

This document aims to represent the concerns, views and experiences of our members, not as individuals but as a local industry. Each member reserves the right to express their own opinion and is entitled to make their own submission.

Prior to the Murray Darling Basin Plan (2012) becoming law, the Gwydir Valley had already met its water recovery targets to meet the sustainable diversion limit for the region. In fact, we have more water recovered for the environment than the required 42GL/year of long-term diversion equivalent<sup>1</sup>.

It's important to note that the majority of this water was recovered quickly and through the Australian Governments buyback programme and was recovered without consideration to the vulnerability of the region, to water availability decline or transitional process. Furthermore, the water within the Gwydir was recovered without any consideration regarding the location of water licences, the types of licences and the volume required.

In our communication regarding the Terms of Reference of the Independent assessment of social and economic conditions in the Basin our focus was on Question 1 – What are the visions and hopes of Basin People, for themselves and their communities, Question 6 – What Strategies have the greatest potential to enhance the resilience, adaptability and wellbeing of different Basin Communities and Question 7 – What are the responsibilities and distinctive contributions of governments, businesses,

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<sup>1</sup> Long-term diversion equivalent volume estimated between 4- 12GL/year over recovery, refer to <https://www.industry.nsw.gov.au/water/plans-programs/water-resource-plans/ldle-cap-factors>

not for profits, and individuals in enabling action to promote prosperous and sustainable Basin Communities’.

Bringing communities back to the heart of conversations and actions that decide their future The GVIA believe that there is a need to find a better and more effective way to engage with rural and regional communities, and that local leadership capacity and government are part of the solution so that policies are tailored to community needs. We support the overriding principles of good governance and structure to improve the delivery of outcomes as outlined in **Recommendation 1**. Involving regional networks such as Regional Development Australia (RDA) which draw on local leaders who understand the requirements of communities as a better more effective mechanism to engage with regional business and community we believe would be beneficial. The RDA is a national network of communities fostering regional economic development. The association works with all three tiers of government, regional business and the wider community to boost the economic capability and performance of their region and have the ability to assist in policy development tailored to community needs.<sup>2</sup>

#### Rebuild community trust in water reform:

The GVIA agree that there is a need to rebuild the community’s trust in water reform. As detailed under **Recommendation 1**, Basin governments should commit to providing greater clarity and certainty around long term policy and drive greater accountability and improved delivery of outcomes. Cooperative working arrangements and shared visions are critical to deliver the Basin Plan objectives of environmental, socioeconomic and cultural outcomes.

This distrust identified by the Panel was also recognised in the Productivity Commission Murray-Darling Basin Plan: Five-year assessment. The Commission considers the existing legacy of distrust as a risk to the effective implementation the next phase of the Plan. *“In the Commission’s view, the identified and significant risks to successful implementation cannot be managed effectively without improvements to the governance and institutional arrangements. Reform is required<sup>3</sup>.”*

Additionally the Commission indicated that *“The Basin Plan evaluation framework should be improved to define the specific questions that will be used to comprehensively evaluate the effectiveness of the Plan in achieving environmental, socioeconomic and cultural outcomes at both a region and Basin scale.”*

Our region is acutely aware and concerned by of the ongoing socioeconomic impact of water reform, many other communities are similarly concerned. The Panel assessment has identified significant gaps in understanding of the socioeconomic impacts of water reform and identified a lack of evidence of how enhanced environmental and working river outcomes flow to basin communities.

The GVIA feel that there is now an opportunity to create a better balance between environmental and socioeconomic outcomes and impacts of water reform. The Authority needs to develop a clear framework for monitoring and evaluation of the implementation of the Basin Plan. This framework will enable informed judgements to be made about the extent to which the Plan is meeting the environmental, socioeconomic and cultural outcomes. As such we believe that a restructure and

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<sup>2</sup> Constitution Regional Development Australia Northern Inland NSW Committee.

<sup>3</sup> file:///C:/Users/Lou/OneDrive/GVIA/Productivity%20commission%20basin-plan-overview.pdf

rebranding of the Murray Darling Basin Authority (MDBA) may be appropriate and should be considered as a component of **Recommendation 1**.

Current funding is not enough to support community led transitions for Basin communities impacted by water reform.

The GVIA shares your concern that past funding to support Basin communities impacted by water reform has not been well targeted, but that there have been improvements in the current funding arrangements. In our submission to the Basin Plan Amendments we identified that:

“... government assistance to-date has fallen short of genuinely supporting those communities hardest hit by the Basin Plan. For example, the funding provided by the Murray Darling Basin Economic Diversification Fund has been ineffective. While the GVIA does not discredit the value of projects being funded, towns like Armidale, Coonamble or Orange all in NSW , for example would not be considered significantly impacted by the Basin Plan yet received funding under the program as they are located ‘in the Basin’.”

The GVIA support **Recommendation 4** to prioritise future investment in the Murray Darling Basin Economic Development Program in vulnerable and disadvantaged communities most negatively impacted by water reform. Ideally programs will support business re-locations, expansions or the creation of new business enterprises that diversify the economic base of communities.

We also support the Panel view that the current funding is insufficient to address the community impacts of Basin water reform. We believe this is especially so in regions where large buybacks took place. Instantaneously removing significant parts of a regions productive capacity has had long term impacts. The socioeconomic impact of the water reform under the Basin Plan in our region has been drastic, analysis in the northern review was welcomed, but under-estimated the impact in our region as it miss-represented the commercial relationship between Moree and Collarenebri. We remain concerned as to how communities such as ours, and businesses within those communities will recover from the current or future droughts. We are continually challenged by the loss of nearly 200 jobs from the region on top of a decline in the major employment sector of agriculture, this continues to slowly cripple the economic and social stability of the region. Like other Basin communities these job losses increased population decline and have had implications for essential health and educational services.

The GVIA was pleased to note the positive findings from the analysis of a scenario where \$1.5 billion was spent on water recovery and \$2.5 billion was spent in Basin communities to fund additional services in things like health, education and community care between 2020 to 2029. We acknowledge **Draft Finding 48** that notes: Expenditure on regional economic and community development programs (to improve the quality of community services) could lead to more jobs in regions than if Governments spent the same amount on irrigation infrastructure alone.

We support the principle of **Recommendation 3**, to extend the Murray Darling Basin Economic Development program beyond 2023 and increase its scale. We acknowledge that extending project delivery timeframes beyond the current four year timeframe to 2030 would empower communities to make longer term investments in their future.

Access to reliable water for critical human needs.

The GVIA believe it is essential that all communities have access to reliable water for critical human needs. We support **Recommendation 7** to improve water security planning and investment for Basin towns with a focus on non-rainfall based supply options and investment decisions based on

assessments of costs, benefit, risks and uncertainties. In addition we support **Recommendation 8** for Government to develop regional pilot programs for alternative urban supply sources.

The quality, timeliness and awareness of indicators related to wellbeing and the environment need to be better

The GVIA acknowledge that there is a need to quantify the social and economic benefits of Basin water reforms to assure communities of the benefits associated with reducing the consumptive pool. We support **Recommendation 14** to improve monitoring and evaluation including creating a solid baseline and tracking environmental outcomes from water reform, specific focus on how these impact Basin community social and economic wellbeing is critical. Community involvement in the design of this program is essential. This community involvement could readily be facilitated through the Regional Development Australia (RDA) networks within the Basin.

Research and Innovation need more focus on helping farm businesses transition to flexible farming systems

The GVIA support **Recommendation 15** to increase the focus and funding of research and innovation. Critical to this research and innovation is the need to translate the research and innovation to adoption and on-ground application, as well as enabling the diversification of farm systems across industries. Smarter Irrigation for Profit phase 2 is a project supported by funding from the Australian Government Department of Agriculture, Water and the Environment as part of the Rural R&D for profit program. This project brings together the five industries of Cotton, Rice, Grains, Sugar and Dairy. There are three focus areas under the project: Development of new irrigation technologies, Optimised benefits of automated irrigation systems and Closing the irrigation productivity yield gap through best practice extension. This project includes 46 farmer led optimised irrigation and key learning sites across five industries and incorporates an integration and extension project designed to enhance cross industry learning and adoption of tools and technology. This project is strongly focused on on-ground application and diversification. Projects such as this should be a priority of the Basin Plan going forward. New innovative tools and technologies provide opportunities for business diversification as manufacture facilities and support services should be regionally based.

Technology and Innovation have an important role to play in optimising resource utilisation (water and energy) increasing productivity and profitability. Innovation will often mean employment needs will change, but not necessarily decrease, in fact innovation tends to secure permanent employment on farms. Any downturn is usually associated with casual seasonal employment. Manual labour requirements are reducing, while the market for technical skilled employees however is increasing. IT specialists, engineers, technicians or telecommunications specialists are needed in regional communities to support the adoption of digital agriculture. Support for regional communities to develop digital agriculture training packages and facilities would be of value. The GVIA suggest **Recommendation 15** be expanded to include training as an important mechanism to enhance adoption of innovation and employment diversification of regions.

The Australian Government needs to further invest in regional connectivity in the Basin.

The GVIA support **Recommendations 16** for investment to improve essential infrastructure in Basin Communities. We believe this infrastructure investment should focus in areas most significantly impacted by water reform and that it should include investment in reliable high speed internet and mobile phone reception, health and education.

Digital agriculture has the potential to significantly increase the gross value of Australian agriculture, but to achieve this there needs to be this investment in high speed internet and phone reception as well as ongoing investment in research and development as identified in Recommendation 15.

The GVIA believe that there is an opportunity to more effectively utilise existing regional networks such as Regional Development Australia (RDA). The RDA facilitates policies, programs and projects designed to strengthen human capital, productivity, infrastructure, access to markets, regional comparative advantage and business competitiveness leading to increased economic activity and the creation of new jobs, along with improved standards of living and working conditions<sup>4</sup>.

We are concerned that developing a Basin-specific infrastructure fund may create an additional level of complexity in delivering to the needs of impacted communities and note that any increase in complexity should be avoided. Critically however we agree that communities impacted by Basin water reform should not have to compete with other regions for infrastructure funding.

As such **Recommendation 17** could be amended to; Governments should engage the RDA committees located within the Basin to implement regional infrastructure funds, specifically with regards digital connectivity, to boost the economic capability and regional business performance in communities directly impacted by Basin water reform.

Basin regions and towns facing acute social and economic issues need immediate support  
**Draft Finding 1** notes that Social and economic conditions vary considerably across the basin. Commissioned research found that many outer regional and remote communities are faring worse than the regional Australian average and that access to services and infrastructure are lower than regional Australian averages. The GVIA support **Recommendation 20 and Recommendation 19**.

Buybacks have had mixed impacts on Basin irrigators and communities

The GVIA agree that water recovered through on-farm irrigation infrastructure upgrades provided competitive advantage to farms and communities compared to buyback. We are especially concerned, as a result of our community's experience, by the impact of large 'strategic' purchases.

As such we suggest **Recommendation 21**: Large buybacks, are not considered as a suitable mechanism for water recovery as they have been found to have devastating impacts on regional communities.

As noted in our communication regarding the Terms of Reference of the Independent assessment of social and economic conditions in the basin, we reiterate our view that the over-recovery of environmental water in some regions, presents a unique opportunity for the Panel to explore ways to value-add other Government programs. We believe the Government must recognise where over-recovery has occurred and use this opportunity to provide genuine economic growth in these regions impacted by over-recovery. In doing so, Governments can amend past decisions and provide our community (and others in the Northern Basin) a pathway to a better future, with a strong vibrant industry and a healthy working river.

**Recommendation 22:** That governments work proactively with those regions who are over-recovered and determine mechanisms to return water into production in a way that limits third-party impacts and maximise the opportunity to offset the poor policies of the past. We see the

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<sup>4</sup> Constitution Regional Development Australia Northern Inland NSW Committee.

integration of a clear regional strategy that builds on our communities many diverse and strong competitive advantages as critical.

We thank the Panel for the opportunity to comment on the draft report and look forward to positive progress in the recognition of the impacts of Basin water reform on regional communities, most especially those impacted by large buybacks and those who have been over-recovered.

Kind regards,



Zara Lowien  
Executive Officer

#### Background on the GVIA

The GVIA represents more than 450 water entitlement holders in the Gwydir Valley, centred around the town of Moree in North-West New South Wales. Our mission is to build a secure future for its members, the environment and the Gwydir Valley community through irrigated agriculture.

Our region is one of the most agriculturally diverse and productive in NSW. The region is highly dependent on agriculture and in particular irrigated agriculture for economic activity contributing over 40% of Gross Regional Product (equating to approximately 8% of NSW's agricultural production)<sup>5</sup>, employing 20-30% of the population<sup>5</sup> and accounting for almost 90% of exports from the Moree Plains Shire<sup>6</sup>. For more information on who we are and what we do, visit [www.gvia.org.au](http://www.gvia.org.au).

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<sup>5</sup> 2010 2011 Agricultural Census Report – agdata cubes, 71210D0005-201011 Agricultural Commodities, Australia

<sup>6</sup> Cotton Catchment Communities CRC Communities and People Series 2009