



MDA Submission
Draft Restoring our Rivers
Framework

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Executive Summary

Thank you for the opportunity to provide feedback to the Department of Climate Change, Energy, the Environment, and Water, and the Federal Minister for the Environment and Water, Hon Tanya Plibersek MP, on the Draft Restoring our Rivers Framework.

We acknowledge that the Murray-Darling Basin Plan (the Basin Plan), at its heart, sets the amount of water that can be taken from the Basin each year, while leaving enough for our rivers, lakes and wetlands and the plants and animals that depend on them.

Following consultation with its members across the Murray-Darling Basin, the Murray Darling Association has provided several points of interest, opportunities, and concerns within this submission.

Additionally, the Murray Darling Association would like to reference to past submissions made between September 2023 and March 2024 to the Department of Climate Change, Energy, the Environment and Water, as well as the Murray-Darling Basin Authority, wherein these submissions the Murray Darling Association puts forth 41 recommendations.

These Reports and submissions are:

- **Submission to the DCCEEW regarding the Murray-Darling Basin Plan Review**
 - LINK: https://www.mda.asn.au/s/Murray-Darling-Association-Inc_DCCEEW_Public-Consultation-Submission.pdf
- **Submission to the Australian Government regarding the Water Amendment (Restoring our Rivers) Bill 2023**
 - LINK: https://www.mda.asn.au/s/MDA_Submission-to-Water-Amendment-Bill-2023.pdf
- **Submission to the Riverina Regional Community Forum**
 - LINK: https://www.mda.asn.au/s/Murray-Darling-Association-Inc_Submission_RRC-Forum.pdf
- **Submission to the Independent Review of the Inspector-General of Water Compliance**
 - LINK: https://www.mda.asn.au/s/MDA_Submission-to-the-IGWC-Review_2023.pdf

Additional information regarding these submissions, as well as past submissions made by the Murray Darling Association, can be found via <https://www.mda.asn.au/newsletters>.



Introduction

The [Murray Darling Association](#) (MDA) is the peak body representing Local Government across the Murray-Darling Basin, with our membership base divided into 12 separate regions in which Councils have common interests.

- Regions 1, 2, 3, and 4 represent councils in Victoria and New South Wales,
- Regions 5, 6, 7, and 8 represent councils in South Australia,
- Regions 9, 10, and 11 represent councils in New South Wales,
- Region 12 represents councils in Queensland.

As the management, and the success of the Murray-Darling Basin Plan is a matter of concern to our members, the Murray Darling Association has prepared the following submission relating to the Draft Restoring our Rivers Framework.

Context

- The Australian Government has released the *Restoring our Rivers: Draft framework for delivering the 450 GL of additional environmental water* and launched the first of 3 new programs.
- The *Water Amendment (Restoring Our Rivers) Act 2023* commenced on 7 December 2023 providing more options, more time, more funding, and more accountability to deliver the Basin Plan in full.
- The draft framework for delivering the 450 GL outlines 3 new programs that the Australian Government will establish to deliver the 450 GL target:
 - **Resilient Rivers Program** - infrastructure projects, rules changes, land and water partnerships, and other ways to recover water
 - **Voluntary Water Purchase Program** - purchase of water entitlements from willing sellers
 - **Sustainable Communities Program** - adjustment assistance for Basin communities impacted by voluntary water purchase
- The draft framework for delivering the 450 GL also outlines the three key principles that will guide the approach to water recovery: **enhancing environmental outcomes, minimising socio-economic impacts, and achieving value for money.**
- Consultation on the draft framework for delivering the 450 GL is open from 30 January to 4 March 2024 to enable communities, industries, farmers, First Nations and environmental groups to have their say on draft principles, program guidelines and potential impacts on communities.
- The [Resilient Rivers Water Infrastructure Program](#) (RRWIP – state led) is now also open. This will provide Australian Government funding for basin states to propose state-led water recovery projects that will improve water management, reduce water losses in the management and delivery of water for production, and return water to the environment.
- Further information on submissions can be found [here](#).



Submission

Engaging with Murray Darling Association Members:

Throughout the consultation process, as for prior submissions to the Department of Climate Change, Energy, the Environment and Water, and to the Murray-Darling Basin Authority, the Murray Darling Association (MDA) actively engages with its membership to ensure a balanced, and accurate, representation of its membership's stance on policy, draft frameworks, and to actively identify issues, opportunities, as well as points of interest that risk being lost through general surveys and fact finding.

During this process, our members within New South Wales (NSW) and in Queensland (QLD) identified several issues and opportunities that may arise from the Draft Restoring our Rivers Framework.



New South Wales

Points of Interest and Concerns:

Members in NSW have indicated that, in comparison to global counterparts, Australian farmers have been extremely responsible in their management of water and produce 'more with less water.'

These are activities of producing and processing food support job , schools, sports groups, community groups and volunteers, which in turn, generate thriving and sustainable communities that support good levels of community wellbeing.

In turn, farmers and industries need these thriving communities and towns to supply their workforces, skills development, and the services they rely upon.

Water removal from the available consumptive pool

MDA Members within NSW have noted concern regarding the proposed water purchasing within the Draft Restoring our Rivers Framework (Draft Framework), citing the fact that the Southern Basin had already provided much of the heavy lifting in water recovery. There are strong concerns that further water removal from the available consumptive pool through water purchasing would create a tipping point for local economies, negatively affecting the livelihoods and industries of the rural Murray-Darling Basin communities, which through their industries feed the Nation with an estimated \$30 Billion worth of food and fibre produced in the Basin every year, \$17 Billion, or 25% of total national production, of which comes from NSW farmers alone.

Members across NSW have noted concern that too much focus is being placed upon an arbitrary number that is not underpinned by sound science, with no agreed environmental improvements strategy, or plan, warranting water purchasing. Members have noted that there are already many constraints that prevent already-purchased environmental water from being moved, and that purchasing additional water without dealing with these constraints would only serve to undermine productive communities in an attempt to attain this number.

Alternatives to water purchasing

NSW Members have noted that the NSW Government had released a report exploring "Alternatives to Buybacks," which may be a more community supportive approach that the Federal Government review and engage with prior to water purchasing.

Our Members have stressed the importance of avoiding community collapse in their regions, with many indicating that rural community populations will not recover from another water purchasing effort, citing the past Buybacks that have occurred. An emphasis was made, that water purchasing should only be considered after extensive, and meaningful, engagement with potentially impacted communities. This process would likely require time and (trusted) evidence-based assessments of impacts, along with genuine collaborative co-design of solutions.

Support of Resilient Rivers Program focus

Members have noted appreciation that the Draft Framework strongly prioritises the Resilient Rivers Program, as well as more time being allowed to engage with, and consult, industry, irrigation infrastructure operators, and communities about minimising socio-economic impacts, as well as designing community adjustment assistance.

With its strong connection to communities, and its Basin-wide network of Local Government, and non-Local Government members, the Murray Darling Association would be an ideal organisation to actively engage with throughout this process.



It is the view of the Murray Darling Association and its Member base that relevant local councils and organisations such as the Murray Darling Association need to be engaged early, alongside industry, IIOs, and the general community, requiring sufficient time to engage meaningfully and to allow councils and their communities to undertake their full due diligence.

Support of Guiding Principles

Members have noted strong support for the guiding principles of only proceeding with water purchasing where there are genuine assurances of immediately achievable enhanced environmental outcomes, minimal socio-economic impacts, and verifiable value for money. The MDA and its members believe these principles must be authentically adhered to throughout the implementation of the Murray-Darling Basin Plan (Basin Plan), including the recent Restoring our Rivers amendments.

Proceeding with Water Purchasing

Members have indicated that, if the Federal Government were to proceed with Water Purchasing, the framework must ensure that communities are always given the full details, as well as ample time to consider each proposal provided. Through this, Members have indicated that support needs to be made available to select their own professional advice on socio-economic impacts, or alternatively, be provided a role in selecting an independent arbiter or probity auditor to assess how socio-economic neutrality testing would be undertaken.

MDA Members based within NSW have commended the Federal Government to strengthen avenues in the framework that would build trust in the findings and associated response plans.

A hold on planned Water Purchasing in the Southern Basin in 2024

MDA Members based in NSW have commended the Federal Government to remove any planned water purchasing in the Southern Basin during 2024 until its commitment to afford communities clarity and genuine collaboration has been honoured, noting that each community may be impacted differently, making it imperative that each community is advised of plans within their region, as well as in advance of any actions being implemented by the Federal Government.

Members have cited concern with the concept of “least unintended consequences,” indicating that terminology such as “least-worse,” or “least-adverse impacts” may be more appropriate and provide additional clarity in the decision-making process.

Strengthening the Framework’s toolbox

NSW based Members of the MDA have provided the following suggestions to strengthen the Draft Framework’s toolbox:

- The **enhancing environmental outcomes examples** on page 8 should be extended to dealing with carp in the rivers and inviting innovative ideas from local communities for local projects that will deliver environmental improvements.
- The draft **community adjustment assistance principles** on page 9 should be extended to include independent evidence and data (point 7), with local councils having active input from the start of any process, including in the selection of any expertise to help assess economic benchmarks and associated economic and social impacts.

Critically, co-design (point 4) and place-based (point 2) must be authentic exercises with sufficient time to engage, consult and plan together so that the result is trusted and meaningful. We ask too that local councils be added to the ‘how’ for place-based design on page 12, along with state government and major irrigation networks.



Adjustment proportionality (point 3) must realise perpetual assistance where whole industries are wiped out or severely compromised through buybacks.

Transparency and integrity (point 6) can only be achieved where there is sufficient time allowed for stakeholders to engage meaningfully.

With increasing mistrust in so-called experts who can have varying findings and interpretations of evidence, point 7 should expand on what is agreed evidence and data and make provision for arbiters and probity checkers where there is disagreement about the evidence and data.

There needs to be clarity / transparency on how socio-economic benchmarking and neutrality testing will be undertaken and assessed.

- The **proper use and management of public resources** on page 10 should state that no water should be bought - regardless of price - unless it is immediately and reliably possible to move that water to a recognised environmental project that is strategically significant.

Further, no water should be bought until all other options for delivering environmental outcomes have first been explored and exhausted.

Lastly, the way water is purchased (volume and price) should not be allowed to impact the water market beyond regular market activity and there should be full disclosure by the Commonwealth Government about all intended purchases (how much, where, when), as well as monitoring of the impact of these trades.

Members have noted that the above points should be included in point 4 on page 10 where being ethical is explained.

The Murray Darling Association's Members in NSW acknowledge that water recovery in any form is not a one-size fits all matter, and that announced proposals will need timely, case by case consideration and analysis of their potential local and regional impacts. Members have noted that the framework has little meaning without the details of where, when, and how water is planned for recovery, with a view that no water should be recovered without absolute clarity as to the purpose of the recovery and assurance that the recovered water can be sent to the area in question.

Until this level of transparency and engagement can be assured, NSW based Members have stressed that the framework should only focus on the Resilient Rivers Program, noting that if done properly, Resilient Rivers has the potential to deliver water to the environment and equivalent environmental outcomes without decimating local economies and communities.



Queensland

Points of Interest and Concerns:

QLD-based Members have noted a strong interest in understanding what support and programs would be made available to communities impacted by water holders leasing water to the Federal Government, noting that the leasing of water entitlements from the Australian Government (participating in water recovery programs that contribute to delivering the 450GL of additional environmental water) will still have socio-economic impacts on communities.

Key lessons learned from past water recovery programs

MDA Members in QLD have noted that there are several key lessons learned from the past water recovery programs, that may influence future water recovery approaches within the Murray-Darling Basin.

1. Purchasing entire and large licences has the greatest socioeconomic impact on communities.

The MDBA Northern Basin Review (December 2016) stated that a large volume of water purchasing in a very short period has an immediate and quite significant impact on businesses, particularly in the farm and farm-related sector, compared with the same volume of water recovered over a longer period.

The report specifically referenced impacted businesses in Dirranbandi and Hebel who were able to provide evidence of how sales of large water entitlements in that area had created a rapid change in demand for their goods and services. This placed enormous pressure on these businesses to adjust and to remain viable.

For this reason, QLD-based Members promoted a focus on purchasing partial entitlements and smaller packages of water will have a smaller socioeconomic impact on communities.

2. Short term funding packages do not allow communities to structurally adjust to the impact of water purchases.

Our Members acknowledged and appreciated the funding support provided by the Murray-Darling Economic Diversification Programs, however noted that these programs have provided relatively short-term bursts of funding and support to narrowly focused groups.

Members noted a desire to see a greater emphasis on providing long-term commitments and funding to support true structural adjustment across impacted communities.

Reference was made to the MDBA report, which stated that water purchasing impacts generally take two to five years to fully play out in terms of employment changes, and noted that the Sustainable Communities Program outlined in the government's draft framework must be funded steady state and long term.

A move away from expecting impacted communities to submit grant applications and hope for a successful outcome was expressed during MDA -Member engagement, with, instead, a need to give certainty to communities that they will have the time and resources required to develop and execute strategic projects which allow true structural adjustment.



3. True diversification is extremely challenging for remote rural communities with a heavy dependence on the agriculture industry.

The Final Report: Independent assessment of social and economic conditions in the Murray–Darling Basin (Sefton, R. et al. 2020) recognised that while irrigators often buy and sell water entitlements, those providing services to irrigators and people living in irrigation dependent communities are less able to adapt.

Members have noted that any new programs will need to recognise that there are no easy solutions for remote rural communities with a heavy dependence on the agriculture industry, with true structural adjustment that is sustainable requiring long term intergovernmental collaboration to strategically identify industries (such as manufacturing and clean energy) and create opportunities for impacted communities, through employment and population stability.

4. Early engagement with communities for transitional assistance is critical.

MDA Members have noted that experience has shown the Basin that engaging early with affected communities on transitional assistance packages is the key to success, while failure to engage the affected communities will be as problematic as delaying the design or implementation of transitional packages.

Members have expressed a belief that there should be greater engagement with Murray-Darling communities for both the assessment framework for impacts, as well as the funding framework for the Sustainable Communities Program.

Specifically, Members noted a desire to understand where and when communities will be engaged, and given the opportunity, to contribute ideas and feedback on the assessment framework and funding program.

The Murray Darling Association, and its members across the Basin believe engagement with Murray-Darling communities will be critical to build trust and confidence with local communities and industry sectors. This should also ensure effective and collaborative working relationships are established between impacted communities and all three levels of government.

Capturing knowledge and applying developed practical approaches

MDA Members have noted that this would be a major transition that requires long term tailored support for both the Southern and Northern Basin.

Each Basin community has its own characteristics, challenges, and aspirations. At a minimum MDA Members in QLD have noted that each Basin community needs its own transition plan and strategy.

QLD-based members have proposed several options, which could be co-designed with government and related agencies, would keep capacity within the community, develop confidence and minimise the impacts of water recovery:

- 1. The commonwealth should provide support** to develop transition strategies and plans for each Basin community, which could sit under the macro framework.
- 2. Multi-stakeholder transition committees** should be established at the local level. These committees would act as the local body that works with the Commonwealth and manages the local transition plans.



3. **The Sustainable Communities Program** should be used to fund the actions identified in the local transition plans. This means the fund would be allocative across the Basin, giving the transition committees authority to approve funding for proposals aligned to their local transition strategy.

Feedback: the Draft program principles

Members have noted a broad support of the principles guiding the proposed Sustainable Communities Program and hope this will lead to finding a way forward that is sensitive to impacted communities.

However, Members in Queensland have noted concerns regarding the Framework's draft proportionality principle for community adjustment assistance which states that investment in each community will be proportional to 'impacts observed'.

Concerns have been raised around the vagueness of this statement, and would like some assurances that real community engagement will be happening in the near future.

Members have noted that there should be greater engagement with Murray-Darling communities for both the assessment framework for impacts, as well as the funding framework for the Sustainable Communities Program. Specifically, Members would like to understand where and when communities will be engaged and given the opportunity to contribute ideas and feedback on the assessment framework and funding program.

The Murray Darling Association and its members believe engagement with Murray-Darling communities will be critical to build trust and confidence with local communities and industry sectors. This should also ensure effective and collaborative working relationships are established between impacted communities and all three levels of government.

Key lessons learned from previous community adjustment assistance programs

1. **Short term funding packages do not allow communities to structurally adjust to impact of water recovery.**

Previous water buybacks have meant less jobs, less opportunity, a declining population and reduced essential services, which ultimately impacts the long-term viability of Basin communities.

Members acknowledge and appreciate the funding support provided by the Murray-Darling Economic Diversification Programs, however noted that these programs have been largely provided short-term bursts of funding to narrowly focused beneficiary groups, rather than providing a long-term commitment and funding to support true structural adjustment across impacted communities.

MDA Members have referenced the The MDBA's Northern Basin Review: Technical Overview of the Socioeconomic Analysis (December 2016) during the engagement process, and have stated that impacts from water recovery can take up to five years to fully play out.

For this reason, Members have noted that programs should be focused on long-term structural adjustment, five years at a minimum, ideally 10 years.



2. Working quickly and directly with impacted communities on transitional assistance packages is critical.

MDA Members in Queensland have noted that experience had shown that a critical factor of success in undertaking water recovery is the ability to work with affected communities on transitional assistance packages from the outset, rather than delaying the design or implementation of these packages.

In particular, reference was made that since 2018, the Lower Balonne region has designed and delivered several major socioeconomic stimulus projects, with successful acquittal records. With experience demonstrating that it is possible for communities to successfully work with government and related agencies to deliver co-designed solutions that will:

- allow water to be committed to the environment.
- minimise the negative impacts previous water buybacks have had on the most vulnerable members of our communities, and our nationally significant agricultural industries.
- achieve positive outcomes for all stakeholders.

3. True diversification is extremely challenging for remote rural communities with a heavy dependence on the agriculture industry.

QLD-Based Members have noted that any new programs would need to recognise that there are no easy solutions for remote rural communities with a heavy dependence on the agriculture industry.

The Final Report: Independent assessment of social and economic conditions in the Murray–Darling Basin (Sefton, R. et al. 2020) recognised that while irrigators often buy and sell water entitlements, those providing services to irrigators and people living in irrigation dependent communities are less able to adapt.

True structural adjustment that is sustainable will require long term intergovernmental collaboration to strategically identify industries (such as manufacturing and clean energy) and create opportunities for impacted communities, through employment and population stability.

Investment in communities to mitigate potential impacts of water purchasing

MDA Members identified that this was a major transition that would require long term tailored support for each Basin, with Basin communities having developed their own characteristics, challenges, and aspirations. At a minimum Members engaged believe each Basin community needs its own transition plan and strategy.

MDA Members engaged acknowledged and expressed that locally led transitions are always more successful than when driven from the top down, proposing several options to consider which should be co-designed with government and related agencies, keeps capacity within the community, develops confidence and mitigates impacts on the most vulnerable members of our community.

- Commonwealth support be provided to develop transition strategies / plans for each Basin community – which sit under the macro plan from the Commonwealth.



- Multi-stakeholder Transition Committees be established at the local level to implement the local Basin Transition Plans – i.e. they are the authoritative group that the Commonwealth works with / takes advice from.
- The Sustainable Communities Program be used to fund the actions identified in the local Basin Transition Plans. This means this fund must be allocative across the Basin – which then have the discretion (through the Transition Committees) to approve funding for specific proposals which are aligned to the local Basin Transition Plan / Strategy.

MDA Members engaged expressed their belief that the Sustainable Communities Program must be funded steady state and long term to give certainty to communities and allow strategic planning for projects, as opposed to submitting grant applications and hoping for a successful outcome.

Additional Feedback on the Draft Framework

MDA Members engaged in Queensland noted the following Local government considerations:

- That there needs to be direct consideration for the financial sustainability of Murray-Darling local governments.
- Local government rates are normally charged based on land use. Typically, premium rates are charged for irrigated land. Many Murray-Darling local government areas have a large rate base covered by irrigated land.
- Irrigators selling water licences and moving to dryland farming will result in a reduction of rates revenue for affected local governments, which could impact their long-term sustainability.
- A desire to understand if any consideration has been given to this potential impact and if so, how local governments will be compensated for the direct loss of income.

MDA Members engaged in Queensland noted the following State government considerations:

- Members noted that their understanding was that the state government may be largely responsible for managing the assessment frameworks for socioeconomic impacts, as well as the funding frameworks.
- Members noted a knowledge that DNRME have played a lead role in previous transitional assistance programs.

Members engaged proposed that these roles and responsibilities should sit within State Development as the impacts and outcomes of the assessment and funding frameworks will primarily affect people and communities.

