

MURRAY DARLING BASIN
ECONOMIC DEVELOPMENT PROGRAM (Round 3)
&
MURRAY/DARLING HEALTHY RIVERS PROGRAM
Draft guidelines

MURRAY VALLEY PRIVATE DIVERTERS (INC) (MVPD)
SUBMISSION :
ROUND 3 DRAFT GUIDELINES

Introduction

Murray Valley Private Diverters (MVPD) represents private entity river pumpers in the NSW Murray Valley and its tributaries including the Edward River, Wakool River, Niemur River and other creeks and streams.

We appreciate the opportunity to comment on the Federal Government draft guidelines for future funding programs for Murray Darling Basin Economic Diversification Program (Round3) and the Murray /Darling Healthy Rivers Program.

If projects enable increased flexibility and a process for stakeholder/community endorsement of potential projects (individual applicants/or group /partnership based projects), there are multiple benefits for longer term social, economic and environmental outcomes.

Opening Statement:

The NSW Murray Valley has been at the centre of social and economic disadvantage as a result of Federal and State Government water policy decisions which includes the Murray Darling Basin Plan.

Decisions also to move water to notional 'high value crops', a policy agreed to at Council of Australian Government (COAG) in the mid 1990s, is seeing related policy still being delivered in 2021 and beyond.

Both the Murray Darling Basin Plan and Government policy to separate land and water, and opening water ownership and trade to investors has seen major policy penalties for the NSW Murray Valley. This includes impacts on the irrigation sector, riparian landholders, and a wide range of social and economic impacts both on and off farms. Agriculture underpins the Murray

Valley rural economies and water policy is damaging the integrity and future of many regional and localised businesses.

Water policy changes also mean major operational changes to the Murray River, operational changes including the Hume Dam, impacts on the water trading market and increased private property and flooding risk to riparian communities in the NSW Murray Valley.

This is evidenced by Murray Darling Basin Authority (MDBA) own social and economic studies, the Federal Government Sefton Review, NSW Wakool Shire economic impact Study and other industry or community initiated impact surveys and studies. Multiple submissions lodged to various inquires have also stated the broader range of negative impacts.

The Murray Darling Basin Plan has had disproportional social and economic impacts. This has arisen as a result of the Murray Darling Basin Authority's (MDBA) design of the Basin Plan and also decision of the Federal and State Government where policy decisions resulted in regional winners and losers.

Of the 2750GL water recovery target outlined in the Basin Plan, 2289GL is to be sourced from the Southern Basin and of this, the acquisition of 'real' water entitlements has occurred primarily in NSW Murray Valley and Northern Victoria. Further the NSW Government has determined that the Basin Plan downstream additional flow target to South Australia is to be primarily supplied by the NSW Murray Valley.

Broadscale dryland and irrigated agriculture underpins the economic and social foundations in the region, but both irrigated and dryland broadscale riparian landholders have been negatively affected by the Basin Plan and decisions to move water to notional 'high value' crops. Such policies exceed known Murray and Edward Wakool system capacities causing either irrigation reliability impacts, localised environmental damage and increased regional flooding risks.

Water policy decisions have also meant that the Murray Valley has to now meet South Australia's full commitment of 1850GL as well as a new target of an additional 2000GL of targeted flow to the Lower Lakes in SA, outlined in the Basin Plan. The Darling Water Sharing Plans by contrast under the Basin Plan, are to be accredited with a reduction in 'connectivity' flows to Menindee Lakes, Lower Darling and the Murray. There will be no meaningful downstream connectivity flows below Wilcannia.

As a result of water policy changes, economic output in the Murray Valley areas affected by decisions has been seriously eroded.

Previous announcements of funding programs to stimulate alternate economic investments have not resulted in areas most affected being successful.

Funding has often gone to regions or applicants either not affected, or applications, many supported by regional stakeholders, were not approved or were considered ineligible because of the funding criteria.

Therefore future funding programs aimed to enhance social and economic impacts, should be more targeted to areas and individuals who can demonstrate the maximum negative impacts of the Basin Plan and/or related water policies.

Regions or organisations that have previously received major funding programs related to water policy, should only be eligible for further funding if there is stakeholder/community support.

This is to ensure that there is no further disadvantage of any funded program where a third party impact can occur. Any such applications must have broader and documented support from other affected stakeholders and this should be included in the application. Any objections must also be noted and considered in the application process by the relevant department.

MURRAY DARLING BASIN ECONOMIC DEVELOPMENT PROGRAM

Eligibility:

- 4.3 guidelines automatically rule out businesses most affected by water policy decisions. Farmers are excluded because of section 4.3 which excludes, Trusts, Sole Traders, Partnerships etc.
- 4.1 , rules out any farming business that doesn't operate as a company
- Those most impacts by decisions **are excluded also by 4.1 (list of eligible entities)**
- The draft guidelines state a desire to encourage community capacity building and partnership opportunities between groups, however the guidelines exclude the very elements of community based partnerships that can deliver a broader range of economic and environmental outcomes
- Project applications that are identified as having support by stakeholder groups /regional businesses, communities, tourism or councils, should be given additional consideration, due to the demonstrated community support for the application

Eligible locations

- **5.2, Table 1**, provides a list of eligible regions (local government areas), however many of the listed local government areas are the primary beneficiaries of the Basin Plan water policies.
- **Guidelines** need to be more targeted to allow areas most disadvantaged by the Basin Plan to have new economic opportunities enabled.
 - **A full assessment of areas most negatively impacted by the Basin Plan should be prioritised**

Timeframes:

- The 12 month project completion timeframes permitted in the draft guidelines does not equate with business needs to actually deliver economic development projects.

- Timeframes excludes natural service provider delays (as occurred with Covid examples) or general business delays that often occur . The twelve months time frame, to complete a project is not consistent with normal economic capability in the private sector or indeed Government sector by way of comparison

Application support:

- Many private businesses most disadvantaged by the Murray Darling Basin Plan (regionally specific) are ruled out under the draft guidelines for eligibility
- In addition these same businesses do not have the staffing or additional support mechanisms to ensure an application provides all relevant information in a manner that meets the requirements of the assessors.
- It would be advantageous to such businesses to have a support process, where applicants can apply for support to assist with how to meet all the guidelines requirements
- There needs to be more inclusive processes to help applicants consider program funding opportunities, education, support, application assistance
- Councils and other larger organisations also have means to be aware of programs, but individual businesses detrimentally impacted by the decisions do not.

MURRAY DARLING HEALTHY RIVERS PROGRAM:

Grant period:

- The completion period of a successful project is too short, (ie 12 mths) , this will lead to poorly designed outcomes designed to meet inappropriate timeframes
- A 12- month expenditure timeframes also excludes any unforeseen events, (internal or external factors) and can be detrimental to the outcomes of the project and required completion date

Eligibility Criteria:

- This submission welcomes the draft guidelines that do permit individual farming business to be eligible to apply. In the past many such programs exclude the farming sector, even though it is a section of economic activity detrimentally affected.
- Guidelines must permit partnerships between different entities, to allow for community/stakeholder -based projects to improve environmental outcomes in the region (land and water)

Eligible locations:

- This submission encourages more targeted geographic expenditure to avoid areas that have benefitted under the Basin Plan policies

Late application:

- This submission encourages flexibility for late applications that may occur due to insufficient public awareness of the funding program and/or where multiple organisations have partnered to achieve environmental outcomes, and one aspect of the application may not be completed (or provided) by the due date

Application support:

- This submission encourages the relevant department to enable application support initiatives:
 - Initial community advice through localised meetings
 - on- going assistance during application process with relevant department to assist with an application to avoid ineligibility issues and/or process mistakes that could automatically exclude valuable projects that have strong stakeholder/or community endorsement
 - once applications have been lodged, a capacity for the department to seek further information or clarification on specific issues to avoid automatic failure of an application

Regionally specific requirements/support:

- MVPD is aware of multiple risks should projects be lodged that do not have broader stakeholder support
- Such projects, may have unintended or unknown consequences to other parties and therefore remain unknown when assessed through the application process
- MVPD encourages the draft guidelines to include the requirement for any application that has potential risks/or impacts to other parties to be formally approved by a regionally specific stakeholder group who is sufficient positioned to identify the full range of risks and identify any changes required to any application

CONCLUDING COMMENTS:

MVPD encourages strong recognition of areas most disadvantaged from the Basin Plan and related water policies. It is essential that new programs actually assist individual business and regions that have experienced social and economic disadvantage. Targeted funding and support with applications should be focused and prioritised in those areas.

Therefore, it is important that this issue is addressed in any remaining funding programs

It is relevant also to understand that the MDBA's Regulatory Impact Statement (2012) had significant errors/assumptions in their assessments of how/where water was being recovered and the disproportional social and economic impacts on affected regions.

This submission also encourages any future funding programs where there are broader implications of any potential project, to be go through a regionally based and community supported stakeholder group with relevant experience to avoid any third party impacts.