

Senate Standing Committee on Environment and Communications

Water Amendment (Restoring Our Rivers) Bill 2023

Submission from Moira Shire Council

October 2023

Moira Shire council welcomes the opportunity to provide this submission to the Senate Standing Committee on Environment and Communications.

Moira Shire Council is in northern Victoria along the Murray River extending from Yarrawonga to near Echuca. It is bounded by the Murray, Goulburn and Ovens Rivers and is a significant part of the Murray Darling Basin.

The Traditional Owners of lands within the Shire are the Yorta Yorta people, who have a continuous connection to the land waterways of the area. In particular, Barmah National Park is an area being jointly managed with government to ensure appropriate management for the cultural wellbeing of place and people.

Moira Shire comprises the four main centres of Cobram, Nathalia, Numurkah and Yarrawonga as well as 18 small towns and communities. The Shire's population is approximately 30,000 people and it covers an area of some 4045 km². It is approximately 2 ½ hours north of Melbourne and close to other major regional centres including Shepparton, Yarrawonga and Albury-Wodonga.

As well as three significant rivers Moira Shire has the significant environmental asset of the Barmah National Park which contains the world's largest red gum forest. It is an internationally listed Ramsar site, and part of the Register of the National Estate plus an Icon Site for the Living Murray Program.

Council provides a wide variety of community services and programs throughout the Shire and has a diverse mix of community assets upon which it relies for this purpose.

We are keen for you to consider our community's unique position in contributing to the implementation of the Basin Plan. We believe that how it is implemented, can see environmental outcomes in our region's waterways without reducing our ability to attract families to our municipality.

We remind the Committee that the socio-economic impacts felt by unfettered buybacks were enough for the Basin Plan to have criteria to guide further water recovery and to invest in efficiency projects that recovered water for the environment. Successive Commonwealth governments as far back as 2009/10 recognised the impacts on particular Basin communities, when work by Marsden Jacobs showed the observed impacts of the buybacks, before the Basin Plan was in place.

Our community was one of the most impacted due to our agricultural, manufacturing and processing industries. Our large towns and smaller settlements rely on irrigated agriculture to prosper, with many of our towns, important regional providers of education, health and retirement services.

It is also home to some environmental and culturally significant parts of the Basin, as well as contributing important flows and floods for the health of the Murray River. We urge you to consider how the Basin Plan is implemented in a way that recognises people in the landscape and find ways to get environmental outcomes at a local and regional scale.

Snapshot of Our Agricultural and Manufacturing Industry

Access to water for irrigation provides the backbone for the shire's economic base. Moira Shire is renowned for our agricultural and manufacturing sectors which have made significant contributions to the local and national economy.

Agriculture takes the lead as the largest employer in Moira Shire, with 2,190 employees. Manufacturing follows with over 1,349 employees. Dairy manufacturers, Cobram is Saputo (450 employees) and Strathmerton's Bega (350 employees) are primarily involved in producing cheese and other dairy products related to agriculture. In terms of output, manufacturing takes the top spot at over \$1 billion while agriculture ranks second at \$742 million.

The Shire also hosts GrainCorp at Numurkah with 70 employees, specialising in canola oil production, Booth's transport (160 employees) with a focus on canola oil and milk transport both intrastate and interstate in their reach.

Katunga and Madigan fresh (176 employees) together with Flavorite (80 employees) are major tomato and capsicum producer. Peechelba Beef is a beef feedlot, supporting the local agricultural landscape with its 37 employees. Fruit packers such as Legacy Packing, with 80 employees, handles the packing of citrus and stone fruits. Baiada broiler farm and Farm Pride free range egg production contribute to the region's economy.

Local manufacturers like Nathalia's TTI (70 employees) and Cobram's tractor and machinery dealers, local engineering and service industries supply our farmers with the equipment to do their job better. These companies collectively demonstrate Moira Shire's industrial landscape. Many more such businesses have made their mark in the industry and provide employment opportunities for residents. Together, they make Moira an agriculture and manufacturing hub and play a crucial role in providing a strong and prosperous future for the Shire, the state and the nation.

Tourism is also an important part of the economy of Moira Shire and is generated through visitors' attraction to the river environment and pristine bush settings.

The impact of buybacks

Irrigation in Moira Shire is largely within the Murray Valley and Shepparton irrigation areas, and also the largest irrigation system in the Basin – the Goulburn Murray Irrigation District.

As part of the Basin Plan evaluation in 2017, according to the MDBA's community profiles, our area was one of the districts that bore much of the pre-Basin plan water purchase. For example, by 2016 compared with pre-Basin Plan, there was a 20% reduction in water entitlements held in Cobram, and a 32% reduction in agricultural jobs in the area.

Moira Shire's experience of buybacks on higher value dairy enterprises is as follows;

- Buybacks have resulted in 50% less water usage in the Goulburn Murray Irrigation District (GMID) undermining the Victorian Government's \$2 billion irrigation infrastructure upgrade.
- Buybacks have reduced agricultural production and resulted in a 40% loss in agricultural employment.
- Buybacks have directly increased water prices making some enterprises unviable.
- Buybacks are causing many farmers to transition from highly productive irrigated agriculture to lower value dryland cropping leaving stranded assets such as housing, milking machine shedding and irrigation infrastructure.

Moira Shire sees the effect of water buybacks on local communities such as;

- Manufacturers of agricultural products such as Saputo and Bega who are major Moira Shire employers reach a tipping point when lower agricultural production makes manufacturing unviable.
- Communities suffer when agricultural production goes from highly capital and labor-intensive irrigated agriculture to lower input dryland cropping.
- Reduced employment causes people to relocate often to already overcrowded urban centres resulting in local schools, sporting clubs and service organisations becoming unviable.

Key considerations

We suggest to the Committee, that water for irrigation underpins high value agriculture, which governments at all levels and all persuasions have invested in making some of the most efficient in the world. Investment in modernisation helped provide water for the environment while shrinking the footprint for GMW's irrigation system deliveries and encouraging farmers to adapt and improve their water efficiency.

Unfettered buybacks make no sense following from such government investment and show that we have not learnt from the lessons of over ten years ago. We don't need to buy from the consumptive pool to have water available for the

environment – Victoria provided over 400GL from modernisation and there will be projects that recovers water in ways that don't undermine this previous investment.

We believe that unfettered high volume buybacks are a blunt tool, with the size of the Government purse affecting prices for other market users and therefore high corruption risks of collusion, arbitrage with perverse outcomes of providing water barons and corporate farmers a quick return on capital.

Moira Shire and its people care about the environment and have been conservative and productive users of the water resource, but food requires water to grow and feed Australia and the world. We ask the Commonwealth to recognise this fact and look to longer term solutions that maximise the environmental, social and economic impact of this vital and precious water resource.

The Bill and the implications of further buybacks

We are concerned that the current bill will enable unfettered buybacks in the southern-connected Basin, which will have a catastrophic impact on our communities.

We welcome more time for good quality projects in the Basin that deliver environmental water at the timing, frequency and duration needed to get improvements in condition in the Murray River and its tributaries.

We would like to see environmental water recovered and delivered where it can have local and regional impacts and we don't believe more water will have that impact in the southern-connected Basin.

Since the start of the Basin Plan, we have been told that it is difficult to get further environmental benefits in the highly regulated river system and that active management is required because of the urban and agricultural landscapes in the southern-connected system.

We understand that the Basin Plan was structured to have water recovery and investment in changes to the river system. This is because it is currently very difficult to meet the frequency, timing and duration of flows through the system. Catchment managers need to change river operations rules, as well as put in

pumps and regulators, and work through public liability issues to deliver environmental outcomes into the intact high value parts of the landscape.

Conclusion

We ask the Committee to consider the aims of further water recovery and the environmental benefits for the Basin. We believe that where water is recovered and delivered is critical to getting the outcomes for Basin communities by this Government. We welcome their interest in the health of local and regional waterways across the Basin. In particular, we suggest the Darling/Barkaa is most need of this support as outlined by the recent inquiry into fish kills. The lack of compliance and monitoring of flows through this system could make a big difference to the river. Combined with further water recovery, this could be a step change to make the difference for the community and the environment.



Josh Lewis
Acting Chief Executive Officer
Moira Shire Council