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Socio-Economic Assessment Panel Draft Report Submission

Thank you for the opportunity for the Murray Darling Association to make submission to the Independent Assessment of Social and Economic Condition in the Basin.

The Murray Darling Association is the peak body for local government in the Murray-Darling Basin, informing policy and contributing local knowledge and regional solutions since 1944. There are 167 councils that sit within the Basin and whose communities rely upon water from within the catchment. The management of water is a matter that is of significant interest to local government.

The Social and Economic conditions of Basin communities are a matter that is of significant interest to local government. Local government has a direct and immediate relationship to the communities we serve; responsible for delivering core services, maintaining economic growth, resilience and community health and wellbeing.

Does the draft report match basin communities experience and situation?

The Murray Darling Association would like to commend the Panel on the depth of assessment undertaken in regard to social conditions in the Basin. The MDA finds insights provided in the Draft report to be comprehensive, well presented and supported with appropriate and detailed data. A strength of the Draft Report is its' acknowledgement of the current "extreme dry conditions across much of the Basin", and how these conditions may affect social and economic conditions.

The MDA believes that the Draft report reflects the current situation in many Basin communities and the lived experiences within those communities. Page 42 touches on the need for communities to see outcomes in their communities and across the whole Basin. The MDA has advocated for a timely implementation of the Basin plan and believes without such, the desired outcomes of the Basin Plan cannot be delivered for Basin communities or the environment.

Are there any significant gaps? What are we missing?

While the Murray Darling Association acknowledges the depth of work presented in regard to social conditions in the Basin, the MDA believes there is a significant lack of information regarding economic conditions in the Basin. The MDA would like to see further investigation into economic conditions in the Basin and factors that may contribute to current economic conditions. The report does not present sufficient economic data in comparison to social data. In particular, the MDA notes that there is a lack of quantifiable information reference material regarding economic impacts. On page 50 of the report, regional economic stimulus is calculated using “this rule of thumb”. The MDA views such economic calculations as a serious risk and believes it detracts some of the report’s value.

The MDA believes that failure to provide reliable information from the panels commissioned case studies again detracts from the veracity of the report and risks undermining the community’s confidence. The MDA sees the need for Basin communities to know how data is articulated and presented in order to have confidence in that data.

MDA responses to the Panel’s recommendations

Draft recommendation 1:

The Panel recommends all Basin governments commit to providing greater clarity and certainty around long term policy and drive greater accountability and improved delivery of outcomes to build trust and ensure more people share in the benefits of Basin water reforms. Specific commitments and initiatives should include.....

Agree in part. The MDA agrees with the following recommendation and supporting information. The MDA would, however, like to see the recommendation more clearly stated so that directives for Basin governments are clear and easy to follow.

Draft recommendation 2:

The Australian Government should time further water recovery to match the capacity to deliver water to where needed to achieve enhanced environmental, social and working river outcomes. This approach means slowing further recovery in the Basin, and accelerating efforts to relax delivery constraints.

Agree in part. However, the MDA would like to see “environmental, social and working river outcomes” quantified. The MDA would like to see further information provided to support the statement “Research commissioned by the Panel found future water recovery is likely to lead to significant falls in water use and production by irrigated cropping, pastures, and rice and dairy sectors”. This statement appears highly contestable and unsupported by any demonstrated evidence.

Draft recommendation 3:

The Australian Government should extend the Murray–Darling Basin Economic Development Program beyond its 2023 completion date, and increase its scale. Past and future impacts of Basin water reforms will still be passing through Basin regions and towns after 2023. The program should be extended to 2030, then reviewed. Project delivery timeframes should be extended beyond the current four year timeframe to 2030. This extension will empower communities to make longer term investments in their future.

Agree. The Murray–Darling Basin Economic Development Program supports Basin communities that are adversely affected by water recovery and we commend further investment in this space.

Draft recommendation 4:

The Australian Government should prioritise future investment in the Murray–Darling Basin Economic Development Program in vulnerable and disadvantaged communities most negatively impacted by Basin water reforms. The Panel’s assessment shows these communities include...

Agree. Communities more adversely affected by water recovery should be prioritized and assisted in transitioning to future economic development and diversification.

Draft recommendation 5:

Where an upwater recovery proposal fails to meet established neutrality criteria, this failure should trigger a formal process to consider and agree on whether and how third party impacts could be offset in a way that is acceptable to those negatively affected by the change. This process must be community led. The Panel considers this process would likely stimulate a more diverse range of community led recovery proposals, which may alleviate an otherwise protracted and even more painful and unmanaged transition for regions.

Agree in part. The MDA is acutely aware of tensions both past and present that surround the recovery of 450GL of Upwater. The MDA would like to see a fair and equitable socio-economic impacts assessment framework implemented.

Draft recommendation 6:

Reflecting community concerns, Basin governments should continue addressing deliverability constraints as a priority. This work includes...

Agree. The MDA has long advocated that a coordinated approach is the best and only way for Basin government to address constraints. The MDA remains of the view that local government at the sector level should be a contributing level of Basin governments.

Draft recommendation 7:

Improve water security planning and investment for Basin towns and cities. Improvements should include better supply and demand forecasting and planning; more focus on non-rainfall based supply options; investment decisions based on a full assessment of costs, benefits, risks and uncertainties; and better meeting of the water supply needs of First Nations communities.

Agree. The MDA supports the notion that water security for Basin towns and cities is central to positive social and economic outcomes.

Draft recommendation 8:

The Australian Government should develop regional pilot programs for alternative urban supply sources, including indirect potable reuse. These investments may be part funded through the National Water Infrastructure Development Fund.

Agree. Such programs would be a good opportunity to supply communities with innovative infrastructure. These programs would also contribute to improved water security which delivers greater social and economic outcomes for Basin communities.

Draft recommendation 9:

Governments should do more to increase First Nations communities' access to water for cultural and economic purposes, by...

Agree. The MDA strongly supports the requirement that First Nation communities require greater access to water for cultural and economic purposes. The current lack of access is a concern then MDA currently hears from multiple stakeholders.

Draft recommendation 10:

The Australian Government (potentially in partnership with state governments) should fund First Nations groups to work with experts in valuing ecosystem services provided by, and the benefits arising from, culturally significant sites (including, but not limited to, the 17 Ramsar sites in the Basin). The goal should be to better understand the cultural and economic benefits of improving First Nations groups' access to water, and environmental outcomes.

Funding should also be provided to support Aboriginal enterprise development in associated First Nations communities that use (or could use) ecosystem services.

Agree. Cultural value needs to be quantified as well as the social and environmental access of First Nation access to water.

Cultural flows and their impact on social and economic outcomes for First Nation communities should be made an absolute priority.

Draft recommendation 11:

Basin governments should work to better embed and mainstream First Nations participation in water policy and planning at all levels over the long term. Basin-wide processes have provided for greater First Nations involvement, but involvement in state and local decision making and planning varies and should be increased.

Agree. The MDA believes First Nation participation in the planning and a decision making process of Basin resources is essential. The MDA continually hears from many of its stakeholders that First Nation groups are often overlooked or underutilized in consultation and management processes. Further evidence gathered over 40,000 years of stewardship indicates sound and sustainable management practice and expertise.

Draft recommendation 12:

To improve decision making and enable well focused and timely responses to wellbeing concerns, governments should agree on a framework to more regularly monitor and, where feasible, develop improved and more granular indicators of community wellbeing in the Basin. Consideration should be given to reporting Basin community wellbeing at least every four years, and every two years in communities with higher vulnerability.

Agree. The MDA supports the recommendation that further development of means to monitor community wellbeing is required. The MDA would support the development of a monitoring framework and development of a metric for measuring Basin community wellbeing that can be used within that framework, pulling on existing work already developed through the Regional Wellbeing Survey(UC). The MDA has long advocated that Local Government, being the third arm of government and already established in communities would be the perfect vehicle for carrying out such a framework and measurement system.

Draft recommendation 13:

Basin governments should fund a program for First Nations groups to build a baseline and track social and economic conditions, and water reform outcomes. First Nations groups could partner with the Murray–Darling Basin Authority and Australian Bureau of Statistics to complete this work.

Agree in part. The MDA supports this recommendation. The MDA however believes that a baseline metric for measuring social conditions, economic conditions and water reform outcomes should be developed for the entire Basin. The MDA would also like to see universities included in the development of such a metric.

Draft recommendation 14:

Improvements in monitoring and evaluation should include creating a solid baseline and tracking environmental outcomes from water reform, and how these impact Basin communities' social and economic wellbeing. Measures should include, but not be limited to, demonstrating how enhanced environmental outcomes of water reform affect tourism, recreation, liveability, human health and wellbeing, and cultural values. This tracking is a critical need, and communities should be more involved in the design of this program compared with previous efforts.

Agree. The MDA would support the development of framework for measuring outcomes as described in the recommendation. Such a measurement tool and framework would need extensive development and trial. This relates closely to the previous recommendation and would best be developed by the ABS, Science agencies and Universities.

Draft recommendation 15:

In response to the emerging risks in Basin, increase the focus and funding of research and innovation in the following key areas:

- *Enabling the diversification of farm systems across industries*
- *Translating research and innovation knowledge into on-ground application.*

Agree. The MDA believes that helping Basin communities that have encountered unprecedented change transition is the most efficient way to ensure positive social and economic outcomes in the future. Communities across the Basin have a desire to maximize their economic opportunities with limited resources but need suitable guidance to explore how to do so. Basin communities and local government need to be provided with regionalised, relevant and accurate information. To create growth, and subsequent viable employment opportunities, the major challenge is to find the appropriate balance of diversification within an industry to satisfy production levels.

Draft recommendation 16:

Governments should invest to improve essential infrastructure in Basin communities, particularly in outer regional and remote communities that are at a relative disadvantage.

Agree in part. However, more information is needed, particularly concerning the following questions. Which governments should invest to improve essential infrastructure – state or federal? What type of infrastructure is considered essential? How will these communities be chosen? What will be the process?

Draft recommendation 17:

Governments should consider developing a Basin-specific infrastructure fund, with a focus on digital connectivity. Basin communities already have a significant infrastructure deficit, and they should not have to compete with other regions in a new fund.

Agree. Digital connectivity will lead to greater access to information and increased education & awareness about Basin issues and opportunities – the MDA believes this is essential for Basin communities to be empowered and part of the solution, rather than focused on challenges.

The MDA also believes consideration must be given to which communities are likely to receive value from investment both now and into the future. Additionally not all communities have equal capacity skills or experience to:

- a) Find out about grants available and
- b) Put together extensive grant applications. This service is something the MDA would be well-placed to deliver to its members.

Draft recommendation 18:

Community Service Obligations may be helpful in some circumstances to clarify future service requirements and how costs are shared when off-farm infrastructure is provided to achieve water recovery.

Disagree. Draft recommendation 18 does not provide clear directive for Basin governments. The MDA fails to understand what draft recommendation is recommending and how it would benefit Basin communities.

Draft recommendation 19:

Basin governments should direct resources to attract and retain frontline service providers that specialise in addressing household distress, mental health issues, and financial hardship, in Basin locations experiencing acute social or economic issues. Section 2.2 of this report identifies these Basin regions and towns, and their frontline resource needs

Agree. The MDA's vision is: A healthy Murray Darling Basin supports thriving communities, economic development and sustainable productivity.

The MDA believes that addressing essential needs of Basin communities through provision of frontline services is a priority. Many of the MDA's members and stakeholders often highlight the need for greater resources regarding mental health issues, and financial hardship.

Draft recommendation 20:

Governments need to work with communities in the Basin with acute social and economic issues to develop action and outcome plans that will address these issues over the next three years. Such plans should build on any existing plans and be driven by local communities that are provided with additional skills and expertise to help them develop long term (say, two to three decades) and short term (up to 10 years) tailored plans.

Agree. The MDA would be well placed to partner with federal and state government to work with communities in the Basin via local government. Local government has the social licence the reach and the expertise to support communities. As a collection of representatives of their communities, local council has an important role to play in developing action and outcome plans for their communities.

If implemented, do you think our recommendations would make a difference or have a benefit to Basin communities?

The report itself is a good insight into current social and economic conditions in many Basin communities. The MDA believes that many of the findings in the report may be insightful for Basin Governments. The MDA agrees with 14 recommendations, agrees in part with 5 recommendations and disagrees with 1 recommendation.

There is an intense desire for Basin communities to see outcomes. The MDA notes that this report finds communities in the Basin being “over-consulted and under-listened to”. In light of this the MDA views real risk in Government not adequately responding to findings and recommendations of work in which it has invested, including this report, Productivity Commission report and others.

On the agreed recommendations of this and other reports, the MDA believes if Basin governments implement them in a timely manner they will have positive outcomes for Basin communities. Should such recommendations not be dealt with in a timely manner then they risk becoming missed opportunities and further undermining community confidence in Basin processes.

Regarding the recommendations that the MDA agrees in part with, the MDA believes that these recommendations require further development and articulation. The MDA would like to see these developed in a way that makes them easier to articulate and provides a clearer directive to the group they may be calling to action.

CONCLUSION

The MDA would like to commend the Independent Panel for its work to-date on the Independent assessment of social and economic conditions in the Basin.

The MDA supports investment in better understanding social and economic impacts within the Basin, we acknowledge the \$3,200,000 investment in this assessment and note that it should reasonably support Basin government’s policy. We hope this submission can be of use for preparation of the Independent Panel’s final Report.

Yours sincerely,



Emma Bradbury
Chief Executive Officer
Murray Darling Association