INQUIRY INTO WATER AUGMENTATION

Organisation: NSW Business Chamber

Date received: 10 October 2016



06th October 2016

General Purpose Standing Committee No. 5 NSW Parliament Parliament House 6 Macquarie Street Sydney NSW 2000

Attention: Ms Tina Higgins, Director Parliamentary Services

Dear Ms Higgins

NSW Business Chamber Limited

Albury

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Inquiry into water supply for rural and regional New South Wales

I write to you concerning the inquiry into the augmentation of water supply for rural and regional New South Wales.

The NSW Business Chamber (the Chamber) is one of Australia's largest business support groups, with a direct membership of more than 19,000 businesses and providing services to over 30,000 businesses each year. The majority of our membership is drawn from the small to medium business community. Representation in rural and regional Australia is particularly strong.

In July-August 2016 the Chamber surveyed businesses in the Murray-Riverina region on their views about water management. The intention was to canvass the views of our membership in relation to the issues being dealt with by the Inquiry: in particular, the Murray-Darling Basin Plan and its impact on business.

While the date for formal submissions has passed, I request the Committee to consider the attached summary of our Survey results. Water supply has a significant economic impact on regional communities and it is essential that the views of local businesses are considered. I note the time for the Chamber's survey was extended so that our members had sufficient time to provide high quality responses.

Should the Committee seek any further detail on the views of our membership, a representative of the Chamber will also be available to attend the Inquiry Hearing in October.

Please do not hesitate to contact me on ben.foley@nswbc.com.au for any further information on the attached report or should there be an opportunity to provide evidence at the Inquiry hearing.

Thank you for the opportunity to contribute.

Yours sincerely

Ben Foley Regional Manager

ABN 63 000 014 504







Water Policy

Attitudes of business in Southern NSW

For consideration by the Inquiry into water supply for rural and regional New South Wales

About us

The NSW Business Chamber (the Chamber) is one of Australia's largest business support groups, with a direct membership of more than 19,000 businesses, providing services to over 30,000 businesses each year.

The Chamber works with businesses ranging in size from owner-operators to large corporations, and spanning all industry sectors from product-based manufacturers to service provider enterprises.

The majority of our membership is drawn from the small to medium business community. Representation in rural and regional Australia is particularly strong.

The Survey

The Murray Darling-Basin Plan guides governments, regional authorities and communities to manage and use the waters of the Murray-Darling Basin.

The effectiveness of the Plan is now being considered as part of the Legislative Council Inquiry into the Augmentation of Water Supply for Rural and Regional NSW.

In July – August 2016 the Chamber partnered with the Deniliquin Business Chamber, Coleambally Chamber of Commerce & Industry, Leeton Chamber of Commerce & Industry and the Griffith Business Chamber to survey local businesses in the region on their views about water management. The main focus was to gauge attitudes about the Murray-Darling Basin Plan and its impact (positive or negative) on local business.

Feedback from the Chamber's Water Survey (including this report) is provided to the Inquiry for consideration.

Participation

The survey was exclusive to businesses located in the townships of Deniliquin, Coleambally, Leeton & Griffith. A total of 94 businesses participated.

Key findings

Water, the way it is used and planning around water usage is clearly a key issue of concern for businesses in the region.

More than half of our respondents have a mid-level or deep understanding of Murray-Darling Basic Plan and sustainable diversion limits.

Businesses are concerned about the impact the Plan is having on their communities and businesses. A clear majority of respondents (71 percent) did not believe the Murray-Darling Basin Plan had equipped their community well enough to operate with less water.

Respondents reported that the water allocation changes have had significant impacts on their businesses:

- More than half reported a loss of confidence
- Nearly half reported that demand for their products and services had reduced
- More than a third reported that the changes had increased costs.

Nearly half of the respondents said their business needed more notice about water usage to support their forward planning.

Most (62%) advised that the Murray-Darling Basin Plan should give more consideration to the economic needs of the community. This compared with only 2% who felt environmental considerations needed greater priority.

Less than half (47%) of respondents were aware of the availability of Regional Economic Diversification grants. Most respondents who were aware of the grants (81 percent), however, said they had notapplied for one.

Conclusion

It is clear from the results of the Survey that the implementation of the Murray-Darling Basin Plan has had a significant impact on business operations and confidence in the region.

While the NSW Government has instituted measures to counterbalance the effects of the Plan, these measures do not outweigh the detrimental economic impact of the reduced water usage requirements.

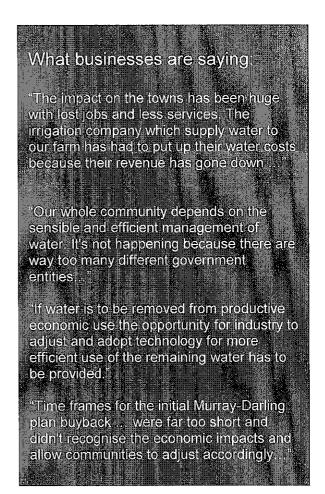
In a region dominated by high-water use sectors such as agriculture the economic needs of the community should be afforded priority.

Commentary from respondents (see panel right) indicates that a significant part of the problem is the difficulty of navigating the complex governance structures for the administration of water.

The measures that do exist, such as the Regional Economic Diversification grants, should be better publicised and businesses should be provided with adequate information about the criteria for applying.

The NSW Government announces the allocation of water for commercial use in July each year. The timing of these announcements and the notice given to businesses about water usage changes should also be reconsidered.

Detailed results from the Survey are attached for the Inquiry's consideration. The Chamber would appreciate the opportunity to provide further evidence to the Inquiry, if needed.



For more information contact:

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I have a deep understanding of its objectives and activities	65	8/2	36		- 26		3		61	
Number of respondents										
Do you believe that your community is well equipped to make positive structural adjustments in relation to the plan and	P									
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My business is given sufficient notice	15	16%	æ	22%	,	15.78	0	200	0 5	2007
Water allocations do not affect our business planning	32	35%	0	%0	32	28%	1	3%	5	97.70
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The Murray-Darling Basin Plan is required to balance environmental, social and economic considerations when setting										
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