

## **INQUIRY INTO FLOODPLAIN HARVESTING**

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**Central Murray Environmental Flood Plains Group Inc**

**Submission to the  
NSW Legislative Council's Inquiry  
into Floodplain Harvesting.**

**12<sup>th</sup> August 2021**

**Submitted by  
Chairman  
Geoff Kendell**

## **Contents**

<b>Who are we</b>	<b>Page 3</b>
<b>Overview</b>	<b>Page 4</b>
<b>How Floodplain Harvesting affects us</b>	<b>Pages 4,5,6,7 &amp; 8</b>
<b>Background for making submission to this Inquiry</b>	<b>Page 9</b>
<b>Impact of the Murray Darling Basin Plan and a reduction in water on the Gannawarra Shire region.</b>	<b>Page 10</b>
<b>Gannawarra Shire Council School Numbers</b>	<b>Page 10</b>
<b>Impact on Regional Livestock &amp; Markets</b>	<b>Pages 11 &amp; 12</b>
<b>Effect on Regional Community Businesses</b>	<b>Page 12</b>
<b>Water Availability</b>	<b>Pages 12,13 &amp; 14</b>
<b>Summary</b>	<b>Page 15</b>
<b>References</b>	<b>Page 16</b>

## **Who are we?**

Central Murray Floodplains Group Inc is not-for-profit voluntary advocacy and research Group of community women and men who have unique qualities as we come from a diverse array of backgrounds and experiences working for the region's greater good. Our overall similarities and passion for the region draws us heavily together in finding solutions to many of the problems face.

We are open, transparent, and accountable in our work and deliberations

Our home Cohuna is based in the centre of the Southern Basin of The Murray–Darling River system, the largest river system in Australia.

Our region holds important social, cultural, economic and environmental values, once supporting strong rural communities and economies. By 2000 it was the third most productive agricultural region in Victoria, but since then the productive status has diminished dramatically by the effects of water reform and the Murray Darling Basin Plan.

Our region includes diverse ecosystems, internationally recognised Ramsar wetlands, significant floodplains and internationally renowned river red gum forests. It is home to many species of wildlife, birdlife, native plant species and marine life which includes the iconic Murray Cod and Golden Perch.

It is the cultural and spiritual home of the aboriginal communities of the Barapa Barapa, Yorta Yorta, Wemba Wemba, Wadi Wadi and Dadi Dadi.

The Region encompasses parts of the floodplains of the Murray, Loddon and Avoca Rivers in Victoria and the Wakool, Edwards and Murrumbidgee Rivers in NSW.

The Region encompasses the Shire of Gannawarra entirety, parts of the Shire of Campaspe, Rural City of Swan Hill, Loddon Shire, Murray River, Edward River, Hay and Balranald local councils.

## **Overview**

Central Murray Environmental Floodplains Group Inc (CMEFG) is making a submission to the NSW Legislative Council's Inquiry into Floodplain Harvesting.

We strongly detest the efforts made by NSW Water Minister and her Departments to legalise Floodplain Harvesting in the Murray-Darling northern basin showing total disregard to the flow on effects to humanity, to the families, businesses, communities, the environment, our cultural heritage and our nation's future food security.

Since the Murray Darling Basins 1994 Water Cap was introduced 27 years ago, we have watched in astonishment the successive growth and expansion of watering holding infrastructure in the northern basin to harvest floodplain water at alarming rates, unlicensed and unmetered.

This has indirectly led to the demise of and accentuated the catastrophic decimation of our region's agricultural industries, family businesses, the commercial businesses that support them and the social infrastructure, while destroying our environment and cultural heritage right before our eyes.

The devastation in many cases has been irreputable.

The indirect damage to a Basin that used to hold important social, cultural, economic and environmental values supporting strong rural communities and economies and generating about 40 percent of the nation's agricultural income".

Now all but gone!

## **How Floodplain Harvesting affects us**

Under the Murray-Darling Basin Agreement to supply South Australia with 1850GL of water in recent years, the Darling Baaka River has been unable to supply the traditional 39% (721,000 megalitres) of water because of floodplain harvesting in the northern basin.

This water is now taken from the Murray River System and the losses are shared equally between both Victorian and NSW Murray irrigators allocations to the tune of 360,500 megalitres each.

This water once used to make our region financially viable for our generational families, commercial businesses, and their respective industries.

This water consistently flows past our communities on its way to SA causing flooding and environmental degradation of our systems and its landscape including cultural heritage sites as depicted in the photos below.

Conveyance of the extra 721,000 megalitres of water delivered down the length of Murray to SA is 100% attributed to farmers allocated water resource. This take has also increased in size.



**Erosion along the Murray River**





**High water flows along the Murray River continue to eat away the bank**





**High water flows in the Gunbower Creek have caused tree destruction and sediment deposits**





**More destruction caused by high volume waterflows in the Gunbower Creek**

Redirection of this water has dramatically affected the security of allocated water to our irrigation farmers thus causing irreputable financial loss to their businesses and industries and to the commercial businesses that support their existence.

The estimated loss to our region has been upwards of an \$600 million annually and to the Southern Basin over \$25 billion.

Therefore, the closure of generational business has been profound and dramatic.

Regionally the cost of not having a connected river system in the Southern Basin has been profound on those living in the Southern Darling Baaka. We have witnessed the impact of a dry Menindee Lakes system, the impact of a green slug trickling stream which was once a mighty Darling Baaka River and heard the stories of once swimming in a river that was so clear, you could see the bottom 16 feet below.

We have seen the inhumane consequences on the livelihood of those who once gained their food sources and drinkable water supply from this river and again the loss to so many commercial and rural industries.

Increased floodplain harvesting since the muted Murray Darling Basin's Water Cap of 1994 and its non-adoption has had a profound impact!

## **Background for making submission to this Inquiry**

I firstly draw your attention to the MDBA definition of the Basin Plan? The Basin Plan was passed into law in November 2012 and has been a significant milestone in Australian water reform. The Basin Plan balances social, economic, and environmental demands on the basin's water resources, to ensure there are:

- Strong and vibrant communities with sufficient water of a suitable quality for drinking and domestic uses (including in times of drought), as well as for cultural and recreational purposes
- Productive and resilient industries that have long-term confidence in their future, particularly for food and fibre production

A further key principle is a connected River system leading to a healthy and sustainable basin under the 1994Cap, one that transparently promotes the economically efficient and sustainable use of water.

The southern basin generated approximately 40 percent of the nation's agricultural income". A Region that once supported strong and vibrant communities which no longer exist.

A region John Howard said releasing his National Water Initiative 2007, accounts for the vast bulk of irrigated agricultural production in Australia and roughly 85 per cent of our irrigation water use. It has a population of close to 2 million people.

He went on to say "Australia has an enormous opportunity to consolidate and even expand our role as a global supplier of food and fibre in coming decades. We live in an increasingly urbanised world whose population is expected to reach 8 billion people by 2030. These people will demand food and clothing."

## Impact of the Murray Darling Basin Plan and a reduction in water on the Gannawarra Shire region.

Unfortunately, the plan has done the reverse to John Howard's statement in the Gannawarra Shire Region of Victoria home of CMEFG.

To gauge a better understanding regionally of impacts of the failed water policy, we have looked closely at our home region of the Gannawarra Shire Council, its industries, and businesses from 2007 the start of the Murray Darling Basin Plan until now 2021.

The Gannawarra Shire Council is a local government area located in the northern part of Victoria, Australia. It covers an area of 3,732 square kilometres and, at the 2016 Census had a population of approximately 10,500.

It includes the towns of Cohuna, Leitchville, Kerang, Koondrook, Murrabit, Lalbert and Quambatook.

This region's irrigation is serviced by Goulburn Murray Water.

Figures collected include the numbers of students attending school, numbers of livestock being sold in the region and the changes in the dairy industry.

**Below is a table of the number of students lost in Gannawarra Shire Council Region over the time of the plan so far**

<b>Gannawarra Schools</b>	2006 2007		Today		Loss now
Kerang Technical High School	496		258		238
Kerang Primary School	160		76		84
St Joesph's Primary Kerang	140		121		19
Kerang South Primary School	223		124		99
Cohuna Consolidated	247		148		99
St Mary's Cohuna	108		116		+8
Lake Charm Primary School	25		4		21
Cohuna Secondary College	255		200		55
<b>Total</b>	1654		1047		<b>607 Loss</b>

**607 students is a significant loss!**

## **Impact on Regional Livestock and their Markets**

Another major impact of water reduction has been the demise of Kerang Prime Lamb & Sheep Market and recent closure of Kerang's Prime Beef Market.

With spiralling water prices, the insecurity of allocation and dry seasons these industries haven't been able to cope financially so many farmers have left the region.

Figures obtained from Stock & Land show the Kerang Prime Lamb & Sheep Market annual throughput was 227,921 head. If this market was still operating at today's prices it is estimated the loss to the region annually would be in the vicinity of \$34,188,150.

Recent Meat & Livestock Australia publications have highlighted its concerns with the spiralling decline in national flock numbers impacted by loss of farmers throughout the Northern Victoria and Southern Riverina irrigation districts.

Similar figures show the numbers for the Prime Cattle Market annual throughput prior to the Plan at 34,213 and again estimated at today's prices a loss to the Region of \$34,213,000.

The above figures total an estimated combined market loss of \$68,401,150 to the local economy; the flow on loss to local community businesses has been substantial.

The loss of income to the regions wool industry has also been significant in the tens of millions of dollars during the same time.

Irrigated cropping and hay have suffered the same as other industries with water pricing the industry out of existence and losing massive domestic market opportunities.

The dairy industry has not been immune from the impact of a reduction in available water either with 32000 milking cows and 10,000 young stock gone from the region over the last five years according to livestock agent figures and Murray Dairy.

Productivity of dairy is directly related to water availability and price and Murray Dairy's rule of thumb is for every 200 cows, there is a return of \$1million of which \$720,000 is returned to the local economy employing 6 full time workers.

Since 2016 one in four dairy farmers have left the industry.

Murray Dairy say the region's milk production peaked in 2001/02 at 3.3 billion litres but declined significantly over the millennium drought to a low of 1.9 billion litres in 2009. Milk production in the Murray Dairy region then began to recover over the following 5 years rising to 2.4 billion litres in 2014/15 before dropping again to 1.8 billion litres in 2018/19.

This trend is mostly a reflection of GMID production because 80% of the milk comes from this sub region who are dependent on access to affordable and available water.

Many service industries relying on irrigated agriculture for their livelihoods include agronomy, veterinary, machinery supply and maintenance, financial services, and feed and fodder supply.

This underscores the relationship between a prosperous agricultural industry and prosperous regional communities.

For those who remain, future services have been drastically reduced and to travel over an hour for supplies, repairs and to markets will become the norm. This will be a massive impost to farmers' downtime and cause considerable financial loss.



During 2002 Latrobe University did a study on the local economy and found for every \$1 a farmer makes it goes around the community 4 times extending this out shows a loss to regional community business of over \$600 Million.

## **Effect on Regional Community Businesses**

This effect of irrigators and their families leaving the Region is now flowing onto many community businesses who are also leaving because they see no future in the region. The loss of critical population mass has dramatically affected their bottom line and the ability to stay in business.



The effects of this continue to be felt with Country Target recently closing its doors in Kerang and the ANZ and Commonwealth Banks in Cohuna.

## **Water Availability**

Regional water availability and security of supply has been dramatically affected by drought, floodplain harvesting poor Government water policy and management and creation of water speculators.

This has occurred in a time when Goulburn Murray Water Irrigation District changed its formula for delivery of water from Water Sales in 2007 to High Reliable Water Shares and Low Reliable Water Shares along with unbundling coupled with a Federal Government Buy-Backs program and irrigation modernisation. Security of supply started to wain but really hit hard especially from 2017 onwards when we have seen a continuous wet drought where our

river system has been in continual flood, and we haven't had available allocation to irrigate at critical times.

Agronomically spring is when water is needed to maximise pasture and crop production to its fullest potential but NSW and Victorian Murray irrigators enduring either zero or low allocations (due to increasing river conveyance and loss of allocation because there is no flows in the Darling) have been profusely effected by extreme temporary water prices.

What businesses and families have presently been left with is no likelihood of change so many are left to ponder their futures enduring endless emotional pain and torture. It's numbing, farmers are being left in shock and disbelief as these consequences unfold right before their very eyes.

It has been so disappointing to see Murray & Edwards Rivers & Mulwala Channel running over capacity, washing away riverbanks by up to 3-5 metres and flooding forests with 1.5 metres of water while Australia's most highly productive food and fibre region's landscape has been left decimated.

During the last drought in 2008 many irrigators were forced financially by banks to sell permanent water to help pay off accumulated debts from trading through the extended years of drought and now rely heavily on the temporary water market for their source of water. This strategy is now biting heavily into their businesses with prices exceeding \$1000 a megalitre in some years caused by a lack of allocation and the desperate need to finish crops. In some cases, five times above the financial viability of their respective enterprise. For dairy farmers, high water prices coupled with high grain and hay prices have had a disastrous effect on their businesses with 55 dairy businesses leaving the industry by the start of 2019 and a trend that while slowed, hasn't stopped.

The forced uncertainty of a reliable secure supply of water at a financially viable rate has taken its toll causing many mental health issues; not having water available to finish crops and pastures to their full potential in the spring is devastating after significant financial investment and many months of nurturing.

No-one wants to take responsibility for the mess, yet they have all but destroyed our generational farms and river communities without a care.

Actions of the NSW Water Minister and her Departments with their continued efforts over the last four years to allow floodplain harvesting in the northern basin has contributed to the demise of generational family farms and commercial businesses that support them, causing an estimated \$25 billion commercial loss in the Murray Basin.

The movement of 721,000 megalitres for the SA contribution from the Darling system back onto the Murray system has created a significant loss to agriculture and its ability to produce staple products. This loss of water equates to; 864 thousand tonnes of rice or 1.440 million tonnes of wheat or 1.634 million tonnes of barley or 2.132640 billion litres of milk or 23.76 million kilograms of lamb & 4.32 million kilograms of wool combined or 1.442 million kilograms of beef or 10.8 million tonnes of tomatoes. In reality the water could help produce a combination of all these staple foods.

It is criminal to see the loss of such a large volume of water which could be turned into tonnes of available food for our population.

This would never happen in Africa or the Middle East where every drop of water is precious and food security is sacred.

**We must put Australian food back on our supermarket shelves.**

Australia must address debt caused by drought, bushfires, lack of water allocation and now the Coronavirus.

With the amount of food that could be produced from this water we could start to rein in the debt through export earnings, giving a massive boost to our economy and the Nation's Gross Domestic Product".

Instead, it is used to support a \$1.2billion cotton industry in the north supporting 4900 jobs and a small, select group of irrigators.

The NSW Water Minister continues to appease a select few northern Darling corporates who have, through floodplain harvesting, removed upwards of 2.5 million megalitres of water in one season - enough water to fill Port Phillip Bay and decimate the Darling-Baaka.

This water continues to be taken unmetered, unlicensed and had been illegally removed in breach of the Murray Darling Basin Water Cap 1994 and NSW Water Act 2000.

Overextraction was recognised as a significant issue in the 1980's, so the Murray Darling Basin Commission introduced an audit based on the 1994 level of irrigation area development and infrastructure which has never been addressed in NSW and allowed to run rampant.

Where we (Victorian irrigators) pay for every last drop of water we are allocated whether it is delivered to us or not.

The emptying of the Darling Baaka River and the inland Kakadu of Australia, the Menindee Lakes is catastrophic on the environment and those communities below Bourke who are consistently left without a drinkable water supply, their food source and industry water which is humanely not right.

## Summary

Floodplain Harvesting must be brought into compliance as first muted by the Murray Darling Basin's Ministerial Council 1994 Cap of 46 Ggalitres to stem the practice of overextraction. Certainly not at 390 Ggalitre with a carryover of 500%.

The Darling River and its waterways would become redundant tomorrow if this was allowed to occur.

If nothing is done immediately to address and correct the inadequacies of this licensing volume in accordance with the cap, you will lose our nation's food bowl built by our visionary forefathers over 100 years ago to feed and clothe this nation.

We have observed firsthand the rapid changes occurring to our region which was once a picturesque rich irrigated environment of trees, pastures, and crops, supporting a wonderful habitat for birds, animals, insects, marine life, and wildlife.

We must be concerned by the loss of knowledge from so many of the best rural scientists around, our farmers, and their generational knowledge and experiences which will hurt the ability of this nation to produce food and fibre into the future

As demonstrated in the figures within this submission, we see a significant profound social economic and environmental impact that should not and cannot be ignored.

When farming families continue to walk off their land, community businesses that support them close for good, the stark reality is the practice of floodplain harvesting has dramatically accentuated a failed Murray Darling Basin Plan and totally missed the main brief; to support strong rural communities, economies, and environments.

If Floodplain Harvesting remains unchecked and above cap it will continue to destroy.

It is a farce that has been allowed to fester which several parasites have freely fed upon at the expense of rural communities their environment and Australia food and fibre production.

The illegal practice must stop, and it must stop NOW!

It must be brought under the cap volume like every other take of water in the southern basin operates under.

We sincerely hope the people reading this submission have the intestinal fortitude to do something about floodplain harvesting, and stop the destruction of so many communities their livelihoods their businesses and families'

In closing remember "we are only custodians of this land and future generations are not going to live off profits, but they are going to live off the planet we leave behind."

**"When there is no food to eat, you will only then truly understand the value of water"!**

**Geoff Kendall**  
**Chairman**

**12<sup>th</sup> August 2021**



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