The Murray-Darling: Social and Economic Impacts of Water ‘Reform’

Another way? Working with communities towards understanding and consensus

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Australian Council of Social Service
ACOSS is primarily interested in
> low income and disadvantaged individuals, families and communities; and
> the thousands of community welfare services that work in support of them.

In the context of the Murray-Darling and our work in climate change we’re of the view that
> low income households will be affected first and worst and have least capacity to cope, adapt or move
> healthy rivers support strong economies and maintain resilient communities.
Of droughts and flooding rains...
Her beauty and her terror

If we knew then, what we know now, we may not have done what we’ve done. Or would we?

And knowing what we know right now, has the process changed... urgency, implementation?

Sturt in 1829: the land was generally described by him as ...inhospitable and unprofitable... and flowing through...a barren and sandy interior... with the exception always of the immediate flood plain.
“In the irrigation regions reviewed there was convincing evidence that current sectors were optimally located with regard to water availability, soils, climate, transport and processing infrastructure etc.” (MJA & Co)

“Throughout the Basin, past investments, reforms and the drought have driven irrigation towards best practice water use efficiency. As a result, people on the land see few opportunities to cost-effectively further increase technical water use efficiency...” (MJA & Co)
“A mix of social and economic factors (including the emergence of new irrigation technology) combined with the fact that there was more water in the system, allowed the irrigation industry... to expand significantly in the wetter half of the last century.”

(Wentworth Group)

“It has recently been suggested that increased temperature has a large impact on streamflow. After accounting for interdependencies... Cai and Cowan (2008b) conclude that a 1°C increase in maximum temperature results in a 15 per cent decrease in streamflow. (Garnaut).
Acknowledge work to date

In the face of widespread commentary such that neither the Federal Government nor the Authority have invested in research towards an understanding of social and economics impacts of changes by and for the Murray-Darling Basin Authority

> Socio-economic context for the Murray-Darling Basin (ABS, ABARE, BRS)
> Economic and social profiles and impact assessments (MJA & Co)
> Effects of change in water availability on Indigenous people (CSIRO)
> Guide to the proposed Basin Plan (MDBA)

by others

> Social impacts of declining water availability, ongoing drought (Monash)
> Sustainable diversions in the Murray-Darling Basin (Wentworth Group)
What is the project?
“engaging with communities on adjusting to reforms”
Does this assume that there is, or will, be clarity about the nature of those reforms?
Or is this project a component of the process to finalise the nature of those reforms?
How does this project fit with the Basin Plan process?
Is it intended as a component of consultation on the Draft Plan?
How does it fit with the ‘Assessment of local community impacts of proposals’ project?
When will it happen? How will it be resourced? Who will do it?
What is the project?
Objectives of the Water Act 2007 and the environment

(i) “ensure the return to environmentally sustainable levels of extraction of water resources…”

(ii) “protect, restore and provide for the ecological values and ecosystem services…

> identification and protection of key environmental assets
What is the project? …and everything else
(iii) *subject* to subparagraphs (i) and (ii) - to maximise the net economic returns to the Australian community from the use and management of the Basin water resources

> key social and economic assets: identification? protection? prioritisation?
> railways and rail heads, airports, abattoirs, hospitals, schools
> current and prospective alternative and additional industries
> balancing and trade-offs, optimisation of the possible

but absent: culture, community... although referred to in work by MJA & Co

> healthy rivers support strong economies and maintain resilient communities
Context

> ‘variability’, unpredictability, volatility, violence: weather, water
> the difference between December this year and December last year: flood, urgency
> variability - temporal resilience, ebbs and flow: water > economy > community
> climate change? one degree of warming = 15% reduction in streamflows
> current socio-economic and demographic trends eg declining numbers of farmers
> structural and ‘natural’ change: growing and slowing communities ageing and gender issues
> strategic interventions: population policy, investments in community infrastructure
Who to engage?

Have processes thus far been successful in engaging the full range of stakeholders?

... in any given region or community or sector?

Have consultations included and been accessible to teachers, shopkeepers, community service workers?

And non-Basin stakeholders: business (especially big business), parliaments and other representative bodies, Australians generally?

Inter-sectoral understanding and engagement

Inter-(Basin) regional understanding and engagement

What about the idea of the seventh generation?
How to engage appropriately?
... 80% of the towns identified by irrigators as a place of expenditure have fewer than 5,000 residents.

Town size categories in the Murray-Darling Basin

<table>
<thead>
<tr>
<th>Category</th>
<th>irrigators</th>
<th>residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000 or less</td>
<td>110</td>
<td>50</td>
</tr>
<tr>
<td>1,000 to 5,000</td>
<td>65</td>
<td>30</td>
</tr>
<tr>
<td>5,000 to 10,000</td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td>More than 10,000</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>219</td>
<td>100</td>
</tr>
</tbody>
</table>

a Towns identified by irrigators as places of expenditure, 2007-08.
Source: Australian Bureau of Agricultural and Research Economics (ABARE) 2007-08 irrigation industry survey
Table 7.2, p96 Guide to proposed Basin Plan
What is “engagement”

Is it information gathering and or dissemination?
Is it “consultation”?  
Is it collaboration in decision-making?

Be explicit about purpose and limitations  
Be specific about related processes and potential impacts.  
Report back... in person.  
Report decisions... in person.  
Deliver on agreements.
Figure 7.1 Irrigators' adjustment decisions and their economic and social impact

## INCREASING LEVEL OF PUBLIC EMPOWERMENT

<table>
<thead>
<tr>
<th>INFORM</th>
<th>CONSULT</th>
<th>INVOLVE</th>
<th>COLLABORATE</th>
<th>EMPOWER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
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<tr>
<td>To provide the public with balanced and objective information to assist them in understanding the problem, alternatives and/or solutions</td>
<td>To obtain public feedback on analysis, alternatives and/or decisions</td>
<td>To work directly with the public throughout the process to ensure that public issues and concerns are consistently understood and considered</td>
<td>To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution</td>
<td>To place final decision making in the hands of the public</td>
</tr>
<tr>
<td><strong>Promise to the public</strong></td>
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</tr>
<tr>
<td>We will keep you informed</td>
<td>We will keep you informed, listen to and acknowledge concerns, and provide feedback on how public input influenced the decision</td>
<td>We will work with you to ensure that your concerns and issues are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision</td>
<td>We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible</td>
<td>We will implement what you decide</td>
</tr>
<tr>
<td><strong>Example Tools</strong></td>
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<tr>
<td>Fact Sheets, Web Sites, Open Houses</td>
<td>Public Comment, Focus Groups, Surveys, Public Meetings</td>
<td>Workshops, Deliberative Polling</td>
<td>Citizen Advisory Committees, Consensus Building, Participatory Decision Making</td>
<td>Citizens’ Juries, Ballots, Delegated Decisions</td>
</tr>
</tbody>
</table>
Risks and opportunities
Other government interventions
Current policy initiatives and considerations
> Parliamentary inquiry into the Murray-Darling Basin Plan
> Climate policy and programs
  a carbon price
  land use: agriculture, forestry,
  energy and energy efficiency policy
> National Broadband Network
> Urban Water Reform
  Productivity Commission: Australia's Urban Water Sector
Federal-only - Machinery of government: Who else is involved? Who makes decisions?

> Agriculture, Fisheries and Forestry
> Broadband, Communications and the Digital Economy
> Climate Change and Energy Efficiency
> Families, Housing, Community Services and Indigenous Affairs
> Infrastructure and Transport
> Regional Australia, Regional Development and Local Government
> Minister for Resources, Energy and Tourism
> Sustainable Population, Communities, Environment and Water
> Prime Minister and Cabinet
Risks and opportunities
Other government interventions - State and territory

New South Wales: Joint Regional Planning Panels  
Victoria: Northern Victoria Irrigation Renewal Project  
Queensland: Maranoa-Balonne Regional Plan

Risks and opportunities
Other interventions

Local government
Private sector, financial institutions and investors
  certainty, risk, reward, interests
Impact mitigation

> reducing exposure
> reducing sensitivity
> strengthening adaptive capacity
> external programs and actions:
  facilitate planning and adjustment
> directly addressing residual vulnerability

(MJA & Co)
“Regional community adjustment should be targeted. The brunt will be felt by the irrigators, but they are likely to receive (direct or indirect) compensation for this brunt. Any fall off in economic activity as a result of the Basin Plan will also be felt by those in the irrigated agriculture value chain. These people are typically outside the tent when it comes to compensation; they need to be included in community adjustment planning.”

observation by MJA & Co