

D24/56576



11/07/2024

The Hon Anthony Albanese MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

Dear Prime Minister,

It was great to meet you at the Australian Council of Local Government Dinner at Parliament House on Thursday 4 July and to hear you speak so passionately about Local Government and local communities in your address on Friday 5 July. We are writing to you as our Prime Minister and head of the Federal Government Cabinet.

While we acknowledge that water and environmental issues are not within your portfolio, we believe this is a matter that requires whole of cabinet awareness due to the potential devastating impacts on regional communities in northern Victoria of voluntary water buy backs as announced by Minister Plibersek on 4 July 2024.

### **Background**

The Restoring Our Rivers legislation which passed in 2023, paved the way for additional water recovery targets from within the Murray Darling Basin, including voluntary water buy backs as one mechanism to achieve water recovery for the environment.

Voluntary water buy backs are a blunt force mechanism which have historically been proven to have devastating impacts on the socioeconomics of local communities including industry shutdowns, job losses and economic downturn. It also results in the 'swiss cheese effect' whereby irrigation infrastructure and systems become isolated, inefficient, and expensive to maintain.

In recent months since the introduction of the legislation the Victorian government has been working with partners, including Goulburn-Murray Water to identify more effective and sustainable ways to achieve the water recovery targets and to avoid the negative impacts of voluntary water buy backs.

The result is a prospectus released in May 2024 titled 'Planning Our Basin Future Together', which Moira Shire Council and other Murray River council's support as a better way to achieve the desired environmental water recovery targets without negatively impacting on regional communities to the extent that buy backs would.

### **Our Local Situation**

Moirā Shire Council sits in North Central Victoria with major townships in the district being Yarrawonga, Cobram, Numurkah and Nathalia. We have a population of approximately 32,000 residents and have experienced some population and housing growth consistently over the past decade.

We are the heart of Victoria's food bowl, where agriculture and manufacturing interweave to sustain our community. With a local workforce of approximately 11,000 people, the agriculture and manufacturing sectors employ approximately 32% of the workforce, making these sectors our lifeblood.

There are numerous other businesses in our regional towns that support our irrigation dependent communities.

The manufacturing output of \$1.051 billion and agricultural output of \$742 million are the cornerstones of our local economy, underpinning the foundation of our survival as a regional community. Our products include dairy, fruits, vegetables, and grains that grace tables across Australia and are exported to many parts of the world.

Some industries are more susceptible than others to water buy backs (both in the short term and the longer term in a constrained water market), and we are at a tipping point, where further buy backs would put intense pressure on some industries such as dairy, which would likely see the industry fall over completely in northern Victoria.

Dairy production for example in Moira Shire provides milk to Bega (Strathmerton - 350 jobs) and Saputo (Cobram - 450 jobs) manufacturing facilities, which means that in addition to farm-based jobs, 800 manufacturing jobs would be directly at risk, let alone the flow on impact on supporting industries, professional services, retail and so on.

You can see from this simple example that voluntary water buy backs have the very real potential to devastate our local community and wipe out over 10% of our jobs in the short term with flow on effects that will be much broader across our community.

### **Our Ask of Government**

We want to work collaboratively with the Federal and State Governments on how we achieve the water recovery targets, however voluntary buy backs in our irrigation district are not the answer.

For the sake of our community, our ask of government is simple and reasonable.

**Ask 1** – *Work with us, not against us in how we achieve water recovery. We support the principles of the Victorian Governments 'Planning Our Basin Future Together' and urge the Federal Government to 'lean in' to a more sustainable approach to water recovery.*

**Ask 2** – *Remove our irrigation districts from the voluntary water buy back tender which will be released on 15 July 2024, so that we can progress the sustainable water recovery measures as per the Planning Our Basin Future Together plan and supported by the work of Goulburn Murray Water.*

*We have a high density of network customers within our irrigation region, and proceeding with buybacks in these irrigation districts is against the principles of the Federal Government's own framework for water recovery which was released on 4 July 2024.*

**Ask 3** – *Mobilise the Regional Development portfolio of the Federal Government to be involved with State counterparts and regional development authorities to assess the real socio-economic impacts of water recovery across the basin communities and determine an adequate investment plan in economic transition that sees real jobs created to replace those that will be lost via water recovery. This needs to be in addition to existing programs looking at digital connectivity, energy transition, tourism development and regional road investments.*

We urge you to discuss this matter with your cabinet colleagues and particularly with Minister Plibersek. Additionally, we would appreciate an opportunity to discuss this matter directly with you at your convenience.

You are also welcome at any time, and we invite you to visit our community and learn firsthand how voluntary water buy backs will impact us and the alternative solutions to sustainable water recovery that can be implemented.

We look forward to hearing from you on this important issue. We genuinely believe that proceeding with water buybacks now and in the manner proposed will hollow out many of our smaller communities with the very real possibility of devastating our local economy and community.

Please don't hesitate to contact us directly, our phone numbers are below.

Yours sincerely



**Suzanna Sheed AM**  
**Administrator**



**Matthew Morgan**  
**Chief Executive Officer**

