

Summary of social impact assessment studies in the Living Murray to November 2003

Why study social impact assessment in the Living Murray?

The Murray-Darling Basin Ministerial Council (the Ministerial Council) vision for the Living Murray (TLM) is... *'a healthy River Murray system, sustaining communities and preserving unique values'*. A related objective is to *'recognise the importance of a healthy River Murray to the economic, social and cultural prosperity of communities along the length of the River'*. The Social Impact Assessment (SIA) studies were undertaken to inform the Ministerial Council's consideration of a First Step decision in November 2003. The Ministerial Council also considered a range of other technical information – around the science and economics – along with community input.

What social impact assessment studies were undertaken in the Living Murray prior to November 2003, and what were the main findings?

Two substantial SIA studies were completed in TLM prior to the First Step decision:

- *scoping and profiling of the social and economic context for a social impact assessment of possible increased environmental flow allocations to the River Murray system* prepared by Hassall and Associates, Professor Helen Ross, and Mary Maher and Associates; and
- *Development of a framework for social impact assessment in the Living Murray: Water recovery in the Murray Irrigation Area of NSW* by Associate Professor Mark Fenton.

Both of these studies were undertaken with recognition that:

- there is a severe drought in the Basin, and water allocations to irrigated agriculture have been low, which may affect responses during interviews
- there are many changes underway in rural communities that are independent of TLM
- there was no agreement to a First Step decision in TLM at the time that the studies were conducted, and therefore it was not possible to discuss with communities the specifics of any proposals and how implementation of the First Step decision might affect them
- the specifics of changes within each region associated with water recovery were unknown (and indeed, still are because additional work is underway to understand more fully how to achieve ecological outcomes listed in the First Step decision in a cost effective way)

Each of the studies is discussed in turn.

Scoping and profiling of the social and economic context

The first study commenced in December 2002 and was completed in August 2003. The authors noted that they were aware of *'few previous Australian impact assessments, or impact assessment steps (such as profiling) approaching the geographical scale and complexity of issues involved in the study. Given the scale and complexity of our tasks, this study has necessarily been pioneering in its approach and highly challenging to conduct'*.

The study area was the southern connected Murray-Darling Basin. The diverse range of issues and concepts addressed in the study included:

- the initial development of an approach and methods (including the introduction of terms such as water dependency, resilience, and influence pathways showing social linkages within rural communities related to water);
- the discussion of the dynamic baseline as many changes are underway within the study area in response to a number of cumulative factors (some independent of government);
- information on many attributes of each catchment and the resident community including its physical environment, social geography and demography, social-economic profiles including the diversity of industries present, and indications of dependence on water; and
- Indigenous issues.

The method to conduct the study included a round table discussion, analysis of data from the Australian Bureau of Statistics, and interviews with 90 people in eight catchments: These were

- in NSW, the Murray, Murrumbidgee, and lower Murray Darling catchments;
- in Victoria, the North East, Goulburn Broken, North Central and Mallee catchments; and
- the South Australia, the Murray-Darling Basin Catchment.

The study reports contain considerable baseline information that can be used by communities to complement their understanding of existing trends in their communities. The study provides a list of possible social impacts at the individual/household level and community/institutional level together with a description of factors that may moderate or heighten the impacts.

The study highlighted the extensive concerns in communities about potential impacts on individuals, communities and industries arising from water recovery, the clear public interest in being involved in shaping the form of any implementation and the contribution such involvement makes to the outcomes. Further work was therefore commissioned to develop a social impact assessment framework for analysing water recovery, specifically with Murray Irrigation Limited (MIL) in NSW.

Development of a framework for social impact assessment in the Living Murray: Water recovery in the Murray Irrigation Area of NSW

The second SIA study commenced in August 2003 and was completed in November 2003.

MIL in NSW had been proactive in encouraging the development of social impact assessment research associated with water recovery. As a partnership project, the MDBC funded an SIA project to develop a framework for analysing social impacts associated with water recovery. MIL assisted by providing on ground support, and arranging interviews. Data from past research (including the earlier Scoping and Profiling SIA study) was also used in this study.

The study resulted in the development of a framework for considering social impacts grounded in, and developed through, extensive interviews in the MIL area (refer to

Appendix 1). The framework highlights the importance of both the potential impact of water recovery and the procedural issues underpinning the decision making process in relation to water recovery.

Examples of potential impacts include:

- **On-farm impacts** (increased debt and lower profitability; a reduction in the number of farms; reduced employment; increases in the price of water; increases in land values; changes in self-identity; changes in family lifestyle; and fewer young people in farming); and
- **Off-farm impacts** (reduced employment and expenditure in local towns; an increase in expenditure outside the area; a reduction in the number of local businesses; reduced investment confidence; an increase in migration outside the area; and a reduced availability of skills and knowledge in the area).

Many of the above perceived impacts associated with water recovery are negative. Perhaps this, to some extent, reflects concerns at the time (pre November 2003) that compulsory acquisition measures were a possibility. In the First Step Decision, the Ministerial Council highlighted the importance of water acquisition measures in which potential water sellers could participate voluntarily. The perceived impacts may also reflect that, at the time, communities were not aware that \$500 million will be invested by governments over 5 years to begin addressing water over-allocation in the Murray-Darling Basin.

Examples of procedural issues of concern highlighted in both studies in relation to decision making included:

- **Trust:** between community, government and stakeholder groups;
- **Transparency:** of the decision making processes;
- **Procedural fairness:** the extent of influence by other stakeholder groups;
- **Distributional fairness:** that impacts may be disproportionately borne by farming communities; and
- **Knowledge:** relationship between local and 'science based' knowledge and the use of local knowledge in the decision making process.

Implications for future social impact assessment in the Living Murray

The COAG *Intergovernmental agreement on addressing water overallocation and achieving environmental objectives in the Murray-Darling Basin* agreed on 25 June 2004 states that :

- the Parties will be responsible for ensuring that there is adequate engagement of stakeholders in the implementation of the agreement and Water Recovery Measures; and
- 'other matters which may be taken into account when assessing (water recovery) proposals for further development or accreditation for funding include social and economic impacts, salinity and water quality outcomes, and third-party effects.

Further Information

Full copies of the SIA Reports are available by phoning Murray-Darling Basin Commission on 02 6279 0100 or through the website www.thelivingmurray.mdbc.gov.au. An associated information sheet providing an outline of Social Impact Assessment is also available.

Appendix 1 – Framework for considering social impacts

Grounded in extensive interviews in Murray Irrigation Limited prior to COAG decision to invest \$500m on the National Water Initiative in June 2004

