

Submission to the Senate Standing Committee on Rural Affairs and Transport

Murrumbidgee Valley Food and Fibre Association.

MVFFA is a newly formed association that represents irrigators and business owners in the Murrumbidgee valley. Our primary membership is broad acre irrigators but we also represent business and community members from towns and cities in the MIA.

Since the release of the plan there have been unprecedented reactions and responses from people living inside and outside of the Murray Darling Basin. The overwhelming response has been critical even in areas outside of the Basin. These criticisms have come from people from all walks of life, not just irrigation farmers. We would submit that your plan is not acceptable for this reason alone.

These are the main reasons why MVFFA does not support the MDBP

- 1) MDBA has repeatedly encouraged stakeholders to “question the science”. MVFFA submits that they have left us an impossible timeframe to be able to undertake such an endeavour. Furthermore, some of “the science” is not available because MDBA has referred to unpublished articles and reports. The most important question our organisation would ask is: Why is the scientific work based almost entirely on hydrology? We would argue that in a regulated river system such as ours, hydrology is the incorrect science to use. We believe that engineering and technical solutions would create far better outcomes for regulated systems like ours. Hydrology would only be truly successful if we dismantled all the regulatory systems on the river. This is of course impossible.
- 2) The Water Act 2007 “terms of reference” were too narrow and only left one possible outcome: Severe cuts to irrigation to “flush” down the river. You need to start again and come up with much wider “terms of reference” that allow you to investigate measures that would increase water availability and encourage better outcomes for the health of the river and all regional communities. It has never been a good idea in any economy in the world to take important resources away from productive enterprises. Australians are resourceful and progressive. Australia needs to come up with a much more progressive plan than this. This plan and this Water Act bear too much similarity to the “Cultural Revolutions” in China last century. History teaches us that grand, idealistic but misinformed political manoeuvres like this will inevitably lead to regression, hardship and a black mark in history forever. As we have been repeatedly told through the last election campaign, we need to “move forward”! This plan is most definitely “moving backwards”.
- 3) We object to the subjective choices of key environmental assets. These choices have more to do with “International Conventions” and dubious politics than any real Australian considerations. We question why it is necessary to use “international conventions” to solve any perceived issues in the MDB. This appears to be a political manoeuvre rather than a real effort to create a workable plan. These “International

Conventions” do not truly reflect what the most important Australian key environmental assets actually are. They certainly don’t reflect the real issues faced by the physical Murray Darling Basin environment. The issues addressed in the MDBP live mostly in the minds of scientists, academics and computer modellers. They are theories that bear little resemblance to practical reality.

- 4) We completely repudiate the conclusion that the MDBP would only endanger 800 jobs. The economic assumptions that people from these areas could somehow move and find employment elsewhere are absurd. The statistics and models to support these assumptions are questionable. Most regional communities in the MDB are “purpose built” and are only in existence because of irrigation. The computer models are assuming some sort of “utopia” where other areas could somehow accommodate a massive exodus from the MBD. If you remove 27% to 37% of productive water from the MDB the job losses and income loss are going to be far greater than this research concludes. Statistics published in the public arena demonstrate the job losses to be in the vicinity of 17,000. The discrepancy between the MDBA figures and ABARE is alarming. It is also alarming that the MDBA allowed these particular figures to be the first “job loss” statistics released to the public via the media. This demonstrates a remarkable lack of respect from the MDBA.
- 5) We find the statistics and repeated media references to farmers being able to survive on 70% less water insulting and misleading. These statistics have used 2007/08 as some type of moderating figure. The circumstances in that particular season were highly irregular and have never occurred before or since and are unlikely to occur again. The MDBA has failed to recognise that farmers were forced to mine their equity to survive during the worst of the drought. They also do not consider variables such as inflation, interest rates and commodity price fluctuations. They do not even take State Govt WSPs into consideration. Many farmers had no choice but to buy water at ridiculously high prices because they needed to keep their permanent plantings or their stock alive. Others received allocations that were far too little and far too late. The only way they could make any return at all was to sell their meagre allocations. It is misleading to use the circumstances of this particular season to moderate or assume anything at all. The circumstances were caused only because of the drought. Massive losses and massive hardships occurred during this season. It is extremely insulting for anyone to suggest that the whole area was able to turn a profit. This is definitely not true. We also would accuse the MDBA of misleading the general public by allowing these particular figures to be used repeatedly by the media.
- 6) The plan is riddled with inconsistencies. Many of the key assets and Ramsar sites are only there because of irrigation and water conservation. They are certainly not in any danger from over extraction or over use of water. In actual fact, some of these sites would be endangered if you reduce irrigation allocations or remove water from irrigation. The Environmental Watering Plan is alarmingly undeveloped. This EWP would not be approved by the regulatory bodies that Environmental Water Holders will have to work with. You may also find that you will have trouble with the RTA and State Rail because some of the “over the bank” scenarios would damage bridges, railways, roads and many hectares of private land. The EWP therefore appears highly impractical. Once again the situation and the circumstances appear to be living

inside the minds of idealist academics rather than having any connection to practical reality.

- 7) The Government's claim that it can achieve its goals and lessen the pain by buying water from willing sellers is impractical. What do you think will happen to people who have no water to sell but will have to sell their homes and businesses because too much water has been removed from their community? We also submit that the definition of willing sellers is incorrect. After 10 years of crippling drought, the majority of water sellers would be desperate sellers, not willing sellers. Also, an unplanned purchase of water entitlements across these regions will create absolute havoc for water providers and water users. People will be stranded at the end of channels. They will also find it impossible to cover delivery and access fees. Once again we would have desperate sellers, not willing sellers.
- 8) Because of a 40 year climate model (1990 to 2030) the MDBA has extrapolated that the MDB will always be drier and under threat. Recent events in the MDB seem to disprove this model. This plan is designed for water shortages and more droughts. This is only one side of the equation. Australia is a land "of drought and flooding rains". Floods are just as common and just as devastating as droughts. Your current plan would be a shameful profligate waste if it's applied to a wet cycle or a flood cycle. Australia needs to have a plan that covers both these extremes in our variable climate. Once again, technical and engineering solutions would be far more successful than hydrology based solutions. A "realistic" assessment of Australian conditions would also be helpful.
- 9) Because of the unclear and subjective choices of key environmental assets it is impossible to determine what era or state of the system we want to recreate. Many of the listed sites have been created by manmade water storage, manmade conservation and irrigation systems. Also, this plan has completely ignored one of the greatest threats to river health in the MDB: the introduction of European Carp. This plan does not adequately address the huge losses that occur from evaporation and seepage. The work based around some vague recreation of some previous utopian river system is questionable. We would reiterate that most of these choices and most of the conclusions have more to do with "International Conventions" than any real understanding of Australian environmental assets or Australian regulated river systems.
- 10) The reliance on "end of system flows" is once again based almost entirely on Hydrology. It appears that the plan is largely focused on keeping the Murray Mouth open. There are definitely problems in South Australia but they will not and cannot be solved by just flushing the river more often. The best solutions will be technical. You must also recognise that SA is at the bottom of the system, which is like being at "the bottom of the drain". Even if you flushed all irrigation entitlements down the river, you could not possibly solve all the problems there. Many of the problems there are manmade and MVFFA would submit that the solutions should be manmade. There are many good plans to solve the problems in SA, why are they not in this plan? This plan is simply a "flush it" plan. This is not sensible and not feasible.
- 11) Irrigation farmers have never had control over allocations. Why are they being labelled as the scapegoats by the Government, the MDBA and also by the resulting political rhetoric? During the recent drought most irrigation water was not available

and not allocated. How does buying up these entitlements improve anything when the water is not available in the first place?

- 12) If not for irrigation storage and water conservation techniques, the lower end of the Murray would have completely dried up in the recent drought. Because of water storage and conservation, SA had enough critical water for 3YEARS even in the worst part of the drought. How is the MDBP going to make this any better? If it was water storage and conservation that saved SA and the bottom of the system from the worst of the drought, isn't the obvious solution to create more water storage and conservation? A well designed water conservation program would help to protect us all from floods as well as droughts. We need to think win/win. This plan looks at win/lose. On closer study it could also be argued that this plan is lose/lose/lose, because it is not a feasible solution and it has already cost taxpayers a frightening amount of money. Farmers lose, the Environment loses and taxpayers definitely lose.
- 13) MVFFA supports the NSWIC position on the Water Act 2007. This Act does not appear to comply with the NWI and it therefore appears unable to deliver a triple bottom line approach. The Water Act 2007 is hamstrung by having to comply with international conventions relating to the environment. It is also open to too many different interpretations as recent enquiries (including yours) have indicated. We submit it will be impossible to develop a sensible "whole of basin" approach by using this Act. MVFFA would support a return to the NWI and an Act that clearly defines and supports a triple bottom line outcome. We also believe that the MDBP should investigate technical and engineering solutions to help achieve a progressive triple bottom line outcome. Rural communities are aware that some change is necessary. They will support change if it is feasible and if it demonstrates a real effort to achieve progress and sustainability. Unfortunately for all Australians, this plan is not feasible and it is alarmingly regressive.
- 14) MVFFA understands that the Commonwealth is one of the largest water holders in the MDB. We have not seen a comprehensive EWP that demonstrates a responsible use of the water already purchased and held for the environment. We would submit that it is imperative that the Commonwealth Government clearly demonstrates how it is using the water it already has before you undertake to acquire more. We do not have confidence in your ability to manage water effectively because you have not demonstrated that you are able to do so.
- 15) One of the most annoying aspects of this whole process is that it claims "wide consultation" and much "peer review". It is patently obvious that the MDBA did not consult or review very much with the people who know the practicalities of managing water and know the true condition and the true history of the MDB. These people live and work in the MDB. Some of these people are 3rd and 4th generation producers and have vast practical experience and vast knowledge of the system. They know that there are many better ways to improve outcomes for the basin than this plan. This plan is purely and simply a "flush it plan". Why didn't anyone consult and review with people who have practical and generational knowledge? We would also add that the definition of "consultation" is not just touring around and giving a power point presentation and then taking questions which the MDBA refuses to answer or cleverly evades. The definition of "consultation" is: debate, discuss, request professional advice, refer for information and advice, seek advice, ruminate,

put on one's possibility thinking cap, seek guidance, cogitate, conceptualise or deliberate. *Macquarie Dictaurus, Macquarie University 1991*. Please stop pretending there was "consultation". Be honest and say that the MDBA was "presenting".

- 16) MVFFA believes it is paramount that your enquiry does not repeat the mistakes of the MDBA. We note with pleasure that there are plans to tour the MDB and consult with all stakeholders. We implore you to speak to and listen to people who have grounded and practical knowledge of water and water management. Any theory must be tested in practice. We also implore you to speak to people with generational knowledge of the MDB. Many of these people have "primary source" information which completely negates some of the theories about "the health of the system". There are definitely issues and there have definitely been mistakes made. It is imperative that you know what the practical issues are and also what the major mistakes were. Once these are clear, we can all work together to make real gains and real improvements.

To summarise:

MVFFA finds the MDBP to be unacceptable because the terms of reference are way too limited, the Water Act 2007 is not compliant with the NWI, hydrology is not the most appropriate science to use, the economic conclusions are at best misleading but mostly insulting, there is no clear definition of key environmental assets, the EWP is alarmingly under developed and the plan is unbalanced, impractical and unrealistic. Unfortunately the Water Act 2007 started with the premise of win/lose. You need to start with win/win.

To come up with a workable and acceptable plan, the MDBA needs to start with wider terms of reference, consult with stakeholders and properly investigate progressive technical and engineering outcomes for the Murray Darling Basin. MVFFA believes that as a nation we should be searching for ways to secure more water. MVFFA believes it is detrimental to all Australians to unilaterally take key resources away from productive enterprises. There are better ways to achieve your goals.