



The Committee Secretary
House of Representatives Standing Committee on Regional Australia
PO Box 6021
Parliament House
CANBERRA ACT 2600
ra.reps@aph.gov.au

p: +612 6583 5647
f: +612 6583 5285
e: admin@rdamidnorthcoast.org.au
www.rdamidnorthcoast.org.au

Suite 1 Oxley House
133 Gordon Street
Port Macquarie NSW 2444
All postal Correspondence
PO Box 2537
Port Macquarie NSW 2444

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**SUBMISSION: INQUIRY INTO THE IMPACT OF THE MURRAY-DARLING BASIN PLAN
IN REGIONAL AUSTRALIA**

Terms of Reference: the role of governments, the agricultural industry and the research sector in developing and delivering infrastructure and technologies aimed at supporting water-efficiency within the Murray-Darling Basin

Thank you for the opportunity to provide a response to this nationally significant inquiry. We are pleased that government is embarking on such an ambitious and multi-faceted commitment to meet the environmental water requirements of the Basin, whilst carefully considering social and economic impacts on the Basin's communities.

Background: Regional Development Australia

Regional Development Australia Mid North Coast (RDA MNC) is one of 55 RDAs formed in a joint initiative by the Australian and NSW Governments in 2009 that bring together all levels of government and the community to enhance the growth and development of regional Australia. We are tasked to:

- provide advice to governments about regional issues,
- provide strategic input into Australian and New South Wales government programs,
- provide information to regional communities on National and New South Wales government initiatives,
- help to coordinate regional planning and regional development initiatives, and
- establish links and cooperative alliances across our region.

RDA MNC has recently developed a Regional Plan in which a key strategy is to develop our region as the Australian East Coast "Food Bowl" by becoming a national leader for intensive agricultural cultivation and encouraging the relocation of skilled farmers to assist the development of intensive agriculture.



Given our strategic role, particularly in coordination and linkages between government and communities, and the relatively underdeveloped agricultural industry within our region, we wish to submit the following recommendations in relation to the Basin Plan, which were compiled following a recent community workshop and request for input from our regional partners.

Agriculture is also a high priority for councils on the Mid North Coast with significant encouragement provided to assist growth. Nambucca Council has aggregated 200 hectares of land adjacent to its sewerage plant and has undertaken considerable work to identify crops which can take advantage of water re-use. Port Macquarie Hastings (Journey of Flavour), Coffs Harbour (Local Food Futures Alliance) and Greater Taree (Manning Valley Produce) Councils have very active networks of producers, distributors, wholesalers, and food retailers encouraging production and consumption of locally produced food.

Background: Mid North Coast NSW agriculture

The Mid North Coast has a population of 249,046 and covers an area of 14,810 square kilometers. The region has a warm and humid to sub-humid climate. Rainfall is high – the average annual rainfall is 1477.6mm, nearly three times the State average; and occasional severe flooding is a feature of the river valleys. The main road and rail system provides a link between areas to the north and south of the region (e.g. Brisbane to Sydney). Other major roads run from the coast to the hinterland e.g., Grafton to Glen Innes, Kempsey to Armidale, Port Macquarie to Tamworth.

Traditional and emerging forms of agriculture are a significant part of the Mid North Coast's economic and community life. The valleys have generally been intensively developed for agriculture, while the hills separating the valleys have seen little development. Mid North Coast farms produce beef, dairy products, fruit, nuts, vegetables, organic produce and cut flowers on floodplains, rolling hills, narrow river valleys, and plateaux. The opportunity exists for the region to diversify into a wide range of organic and bio diverse crops of high quality. The gross value of agriculture in 2001 was \$245 million (ABS National Regional Profile). Of this, crops were worth \$105 million and the livestock industry was worth \$140 million. Employment in agriculture, forestry and fishing has been in decline, with levels falling from 6,498 in 1996 to 5,251 in 2006 (ABS).

Until the 1970s, most people living on Mid North Coast rural properties were farmers. Increasingly, properties are being purchased by "tree changers" and people close to retirement age. Some seek lifestyle rather than agricultural pursuits, others bring international and national contacts and skills to the region and invest in high value, small area crops. They are also a positive influence on the more established farming community. We believe members of the Murray-Darling Basin communities who are unable to sustain high irrigation farming practices in their locality may benefit from relocating to the Mid North Coast and being able to continue their farming practices, and provide skills and an increased agricultural base in the Mid North Coast.

Given the opportunities on the Mid North Coast, we would welcome your research into the following options:

1) Relocation of intensive horticulture and livestock

According to the Basin Plan, in many respects, the Basin is not an ideal environment for many agricultural activities, with the unpredictable weather and seasonal conditions making farming difficult, especially in terms of the availability of moisture and increasing costs of water supply. This situation is now further complicated by likely climate change.

Across horticulture industry sectors in the Murray-Darling Basin, medium-sized farms are likely to be more adversely affected by reduced diversion limits as they have the least capacity to adjust, either through scale (as larger farms can) or supplementation with off-farm income (as is possible for smaller farms).

With our high, regular rainfall on the Mid North Coast, conditions suit many irrigated agricultural crops currently grown in the Murray-Darling Basin, including fruit and nuts, (grapes, citrus, stone fruits, tomatoes), vegetables (peas, green beans, cabbages, cauliflowers, pumpkins, onions, asparagus and potatoes), cut flowers, cultivated turf and hay production. Opportunities also exist for relocation of dairy and beef cattle, sheep, pigs, poultry, goats, deer, bees, ostriches, alpacas and horses.

Agricultural land prices on the Mid North Coast are relatively high; and conceivably not affordable to many farmers leaving the Basin. A viable option would be lease holding, where a property owner who does not wish to farm can lease the land to a farmer who would pay based on an expected agricultural return. The owner can still enjoy rural views without managing the land, and the farmer who leases can access land for a more reasonable price. Partnerships could also be forged with Local Aboriginal Land Councils to improve productivity of large tracts of land in Aboriginal ownership.

There is a recognized need in the Mid North Coast for a more collaborative approach to farming; relocation of Murray-Darling Basin farmers would be beneficial to existing farmers through developing larger scales and marketing opportunities and taking advantage of our close proximity to markets.

2) Production of fodder

The fodder industry ranks amongst the most important agricultural industries in Australia, with a gross value of hay production in the three years ended 2006-2007 averaging \$1.4 billion; exceeding the gross value of sugar cane production, wine grapes and cotton. Use of purchased fodder has increased over the past 20 years, particularly on the dairy and feedlot sectors. Many farmers rely heavily on fodder stocks and the ability to purchase additional fodder to manage drought (RIRDC). It is expected that grazing properties in the Murray-Darling Basin will be under extreme pressure to provide fodder due to the impact of reduced water accessibility and increased water prices.

In 2006, there were 360 fodder growers on the Mid North Coast (ABS). Growth of this industry has enormous potential in the region, and has the capacity to freight a substantial and dependable supply to Murray-Darling Basin farmers.

Conclusion

It is recommended that further research is conducted to examine how the Mid North Coast can be a constructive part of the solution to the challenge facing the Basin. Much work has already been done in initiatives to improve water quality and capacity here, but to accommodate a potentially large increase in agricultural production in the Mid North Coast further research will be required into water capacity, redistribution and storage and ensuring the decades of mistakes made in the Murray-Darling Basin are not repeated.

Please do not hesitate to contact us for further information on either of our recommendations.

Yours sincerely,

Elizabeth McGregor
Acting Chair
Regional Development Australia Mid North Coast