



20 December 2010

The Committee Secretary
House of Representatives Standing Committee on Regional Australia
PO Box 6021
Parliament House
Canberra ACT 2600

Re- *Inquiry into the impact of the Murray-Darling Basin Plan in regional Australia*

Dear Committee Secretary

Thank you for the opportunity to provide views on behalf of Condamine Alliance to this vital Inquiry.

Condamine Alliance is the regional body formed in 2000 to deliver sustainable natural resource management solutions for the protection of the natural assets of the Condamine catchment for future generations.

The company takes this opportunity to applaud the Australian Government and Murray-Darling Basin Authority for the vision and determination outlined in the *Guide to the Proposed Basin Plan*.

Condamine Alliance acknowledges that advances in water-use technology and on-farm management could reduce the predicted impacts of the reduction in water available for irrigation.

Pursuant to the abovementioned, Condamine Alliance possesses significant experience and interest in water management across the catchment and as such is suitably qualified to put forward the comments as detailed in the following attachment.

Condamine Alliance will look forward to participating in a robust and informed manner in future community engagement activities.

Yours sincerely

Phil McCullough
Chief Executive Officer
Condamine Alliance

www.condaminealliance.com.au

tel 07 4620 0111 fax 07 4620 0100
email office@condaminealliance.com.au

office 310 Anzac Avenue Toowoomba Qld
postal address PO Box 238 Drayton North 4350

SUBMISSION DRAFT MURRAY DARLING BASIN PLAN INQUIRY

Stock and domestic bores, un-metered extraction and un-licensed extraction, could account for up to **one third of the total water currently being extracted**. This should be taken into account when determining the baseline for the sustainable diversion limits.

Many irrigators have invested in water use efficiency measures on their farms. These farmers should be recognised in terms of expended cost and effort. There should be provision made to differentiate the aforementioned farmers from those that have not improved on-farm water use efficiency. Such recognition would create incentives to farmers to work on improving water-use efficiencies.

Consider a scaled reduction in the diversion limit. This would accommodate the long lead times in on-farm benefits to introducing water efficiency improvement programs.

Expand entitlements to include allocations for fishways. This would ensure existing infrastructure was operated in an effective manner while providing incentives for significant barrages to consider installing fishways.

Making more water available for environmental and water quality outcomes will require a significant additional on-going investment in system wide resource management as many terrestrial activities impact on these outcomes.

A significant investment in an appropriate re-adjustment program needs to be considered to address the loss of jobs and businesses that will occur as a result of the introduction of the SDLs'.

The impact of reduced allocations available to farm businesses may reduce current farm land values. This could have a negative effect on debt to equity ratios which could result in foreclosures or difficulty in raising necessary capital, either via debt and or equity, for future business growth.

Developing a water market makes good economic sense, however, a reduction on the supply side will drive demand and the price of water will rise. The impact on farm business profitability should be considered as well as the knock-on effects of a scenario of both increased cost of water and a reduction in the amount of water available.

ends