

Secretary: *A. Deah*.....

RECEIVED

12 SEP 2003



National Farmers' Federation Limited

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
AGRICULTURE, FISHERIES AND FORESTRY

SUBMISSION TO HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON AGRICULTURE, FISHERIES AND FORESTRY

INQUIRY INTO FUTURE WATER SUPPLIES FOR AUSTRALIA'S RURAL INDUSTRIES AND COMMUNITIES.

Background

The National Farmers' Federation is the peak agricultural organisation representing peak State Farming organisations and peak Commodity Organisations. The NFF represents around 70000 farm businesses across Australia. The NFF has adopted natural resource management and the associated access security to these resources as one of its key policy priorities.

The development of Australia's water resources has brought benefits to all Australians. We now know that past policies and investments have not always recognised the extent of climate variability and the natural limits of our rivers and landscape systems.

Our nation needs to move forward, dealing with the legacy of the past and creating new approaches and ways of doing things.

The NFF commits to working with all parties interested in developing and implementing solutions that meet the needs of our rivers, water users and the wider community.

This brief submission draws on and reflects previously stated NFF policy.

Resource Security

The NFF has adopted as a key platform the need for farmers to maintain the security of access to natural resources. This access should be accompanied by a duty of care on behalf of landholders as expressed through the various quality assurance and best management practice programs developed and implemented by industry.

Achieving security for both the environment and consumptive users requires active management of our rivers guided by the best science and ensuring all interests are treated fairly and equitably.

The way forward will involve:

- securing environmental flows and establishing adaptive management to ensure river and catchment health;
- clarifying water entitlements and clearly defining the associated security and responsibilities;
- defining and providing structural adjustment and support;
- removing impediments and encouraging water trading within environmental limits; and
- facilitating investment in better water use.

Each of these elements must work within an integrated and stable framework to enhance resource security and river health, embody sound science, and respect the interests of water users.

National Water Policy Framework

Australia needs a national water policy framework that articulates a long-term vision for the management of rivers and water resources across Australia and is able to meet the needs of our rivers, industries, rural people, and urban communities for generations to come.

Our rivers and people also need a practical action plan to address priority issues, backed by real Commonwealth and State commitment and resources.

The NFF's position has been that Governments undertake the following steps:

Healthy River Systems to be Based on Science

- Agreement to establish targets for environmental outcomes based on the best available science;
- Agreement to canvas options to deliver the desired outcomes for river and basin health; and
- Information and findings to be released for public comment before Governments make decisions.

Decision Making to Give Equal Weighting to Social and Economic Impacts

- A robust and transparent 'Public Benefit Testing process' needs to be undertaken to assess social and economic impacts of proposed changes to the nature and extent of entitlements prior to changes being implemented;
- Social and Economic Assessments of affected regions should be undertaken prior to decisions being made – similar to the Regional Forest Agreements;
- Information and findings to be released for public comment before Governments make decisions.

Fair and Equitable Structural Adjustment for Farmers and Affected Communities

- Recognition that farmers affected by the diminution of their water rights will receive fair and equitable structural adjustment; and
- Guidelines to be established by Governments that outline how they intend to fund and determine what is fair and reasonable structural adjustment assistance for farmers and affected communities.

Certainty for Farmers and the Environment

- Recognition that farmers need water security for investment security and to continue to be actively involved in sustainable agriculture;
- Water licences to be issued to all water users in perpetuity;
- Removal of impediments to trading water entitlements and allocations so that water can be directed to the highest value water use;
- Agreement on a national framework for water trading;
- A long-term agreement between governments on the cost sharing to fund the purchase of water for environment reasons and structural adjustment; and
- Governments purchasing additional water for environmental reasons at market rates.

As has now been seen, the Council of Australian Governments has taken up this challenge and set in place a framework to deliver a national water initiative. The NFF has for some time argued that by adopting such a strategy through a positive response to these challenges will realise new opportunities:

- Reform of our water entitlement and trading systems would unleash dramatic improvements in resource efficiency and productivity, facilitate investment and help achieve our environmental objectives.
- Securing environmental flows, implementing improved science-based river management and provision of structural adjustment where necessary would help restore the health of our rivers and benefit the environment, agricultural industries, river communities, recreational users and a range of tourism and leisure industries.
- Strategic investment in such long-term water policies will see a building of confidence, catalyse better use of our resources, enhance the opportunities and resilience of rural communities and provide significant benefits to the nation as a whole.

Recommendations

With this in mind the NFF would recommend that this Committee consider the following steps:

Industry Consultative Processes

That the Committee recommends to the Commonwealth Government that steps be taken to redress the consultative processes that have been and are adopted by governments when attempting to resolve natural resource management issues. In particular industry representatives such as the NFF should be able to sit on the taskforces announced at COAG to work through the detail of the national water initiative.

Definitions of Access Security

That the Committee recommends to the Commonwealth Government that building on the successful agreement reached at the CoAG meeting of Friday 29 August 2003, immediate steps be taken with industry and community involvement to clearly define the securities, such as entitlement, access and use right that surround land and water access.

Clearly Defined Trading Environment

That the Committee recommends to the Commonwealth Government that steps be put into place to ensure uniform definitions and trading rules are developed and implemented that will function effectively across all jurisdictions. It is vital that a competitive and efficient market for water is achieved.

Other Sources of Water

That the Committee recommends to the Commonwealth Government that other sources of water – such as the proposed cloud seeding program developed by the Snowyhydro – be investigated and that where inappropriate and unrealistic regulations (at all levels) inhibit such initiatives, the Commonwealth works through the CoAG network to remove such barriers.



The NFF will continue to work hard with governments to ensure that the national water initiative currently being developed following COAG provides for a vibrant and growing farm sector.