

# QUAMBONE PASTORAL CO. PTY LTD

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QUAMBONE STATION  
QUAMBONE NSW 2831*

28<sup>th</sup> November 2005

The Secretary  
Senate Rural & Regional Affairs  
Parliament House  
CANBERRA ACT 2600

Dear Senators

**RE: SENATE INQUIRY INTO WATER POLICY INITIATIVES IN AUSTRALIA**

I wish to make the following submission to your inquiry into water policy initiatives in Australia with particular reference to the following: -

- B. Methods of protection for rivers and aquifers;
- D. Monitoring drought and predicting farm water demand;
- E. The implications for agriculture of predicted changes in patterns of precipitation and temperature.

My main concern is the short and long term costs being born by a large number of communities subsidising very few wealthy influential irrigators for very large short term gain. The communities affected are: -

1. Local to irrigation community
2. Downstream floodplain graziers and environment
3. Local Government
4. State Government
5. Federal Government – national community

### 1. LOCAL TO IRRIGATION COMMUNITY

This community is the lucky one with all the upside and with the least downside, but there are significant costs to living in an irrigation area and not being an irrigator.

These being the levy banks protecting irrigation properties on the floodplain which decrease floodplain water holding capacity and through put. The effect is to increase flood water height and speed of water flow which ends up flooding non-flood country killing that environment, flora and fauna, also killing livestock and crops on non irrigation properties with no compensation being paid by irrigators (levy bank owners).

Also the increased risk to infrastructure and peoples lives such as in Nyngan in 1989/1990, Warren, Wee Waa and Trangie. The extra protection being required for these towns is not being paid for by irrigators.

### 2. DOWNSTREAM FLOODPLAIN GRAZIERS AND ENVIRONMENT

These communities receive no benefits from the irrigation industry and bares the biggest cost (or subsidises the irrigation industry the most) in brief: -

- Loss of environment including marshes, floodplain and threatened species
- Loss of flow quantity, quality, flow pattern and erosion.
- Loss of pasture and water supply for floodplain grazing.
- Increase in exotic weeds such as Lipia, Bushy Groundsel, Noogoora Bush and Bathurst Burr
- Loss of income due to decreasing stocking rates for example; on this property I estimate that pre irrigation this financial year I would be able to run 3000 extra steers netting after cost pre tax \$200.00 per head = \$600,000.00 and the steers that I am running now would be an extra 40kg heavier = 5,000 steers x 40kg x \$2.00 per kilo = \$400,000.00. This totals \$1,000,000.00 net loss due to irrigation this financial year of 2005-2006.

### 3. LOCAL GOVERNMENT COMMUNITIES

It is recognized by CSIRO, Queensland DPI meteorologist and overseas scientists that rainfall is affected downwind up to 50 – 70 kms from large water sources such as the Macquarie Marshes, Gwyder Wetlands, large storage dams i.e.; Burrendong and irrigation areas.

The affect in NSW is that low rainfall areas in the west of the state are being denied evaporation thus rainfall, equaling lower production, lower profit and more droughts.

In the higher rainfall areas there is increased evaporation, increased rainfall leading to higher soil moisture content, extra salinity, flooding etc... hence the old saying *'moisture attracts rainfall'*

In the Macquarie Valley a large percentage of the irrigation is cotton growing surrounding the townships of Trangie and Warren with regulated water from Burrendong Dam. In years of high flows cotton is grown below the Macquarie Marshes at Carinda. The gross margin for cotton at Carinda –v- Warren is \$400.00 per hectare higher due to increased sunlight, increased temperature and decreased insects and bugs which all adds up to an increased production of \$400.00 per hectare. This does not include the added benefit to the environment in the Macquarie Marshes and to floodplain grazing.

***\*The cotton irrigation industry in the Macquarie Valley is in the wrong place.***

#### 4. STATE GOVERNMENT SUBSIDY

The irrigation industry is not paying full cost for all the state government resources that it is using such as: -

- Dams, weirs, pumping stations etc...
- Government staff in the Department of Natural Resources
- Water plans and scientific studies that are being demanded by irrigators on everybody else including environment to justify their desire for more water.

The state government Department of Natural Resources decision making is not balanced. An example being a loan of water from town supply to general security irrigation water costing irrigators \$8.00 per megalitre could be resold on the water market for up to \$250.00 per megalitre, giving irrigators large unfettered drought support when the rest of agriculture was desperate, especially downstream floodplain graziers who with pre irrigation industry conditions would not have been in drought because that water would have naturally flooded some of their country, supporting the environment and graziers. Yet another form of subsidy for irrigators.

#### 5. FEDERAL GOVERNMENT SUBSIDY

Twenty years ago the federal budget would have spent very little money for the environment. Last year millions of dollars were spent on five icon sites in the Murray Basin. The loss of critical environment will require billions of dollars for rectification in the future in such areas as the Macquarie Marshes, Gwyder Wetlands, Boarder rivers etc...

More Federal Government funding will be required for flood infrastructure due to increased flood heights as a result of levy banks as explained earlier also funding for rescue services, army and air force, an example being Nyngan in 1989.

None of this extra cost is being paid for by the irrigators.

The Free Trade Agreement with the USA states that Australia does not subsidise cotton. This is wrong as explained above.

### RESULT

The floodplain graziers and their environment have been denied floodwater because of irrigation thus have been placed permanently in an increased drought situation and lowered production and profit. These businesses should receive exceptional circumstances payments approximating their loss as their current position is not of their making but rather of government policy and beaurocratic bungling.

### REMEDY

All the present subsidies for the irrigation industry should be removed and full upfront cost recovery be introduced to stop this transfer of wealth from many communities to just a few large individuals and companies.

If you require further information please do not hesitate to contact myself on (0418)242100 or (02)68242100.

I shall be just out of the ACT on the 3<sup>rd</sup> and 4<sup>th</sup> of December 2005 and can arrange to stay longer if you wish to arrange a meeting.

Yours faithfully

Dugald Bucknell  
Manager  
Quambone Pastoral Co.