

To Whom it May Concern

Re: MDBA Guide to the Proposed Basin Plan

I have looked through the guide and whilst at first glance it all seems necessary and logical, there are 2 major flaws in the guide that affect the whole outcome it generates:

**No Economic Study**

There have been many studies done that determine the value of irrigation to the economy. None of these have been referenced (its not my place to do so here) and no study has been done. In our own case, the Victorian DSE did a study into the future possibilities for Lake Mokoan. In that study, they clearly showed that irrigation added around \$30 mill p.a. to "on farm" income in the Broken Valley. The fools still went ahead with decommissioning anyway. They have been voted out of power because of those sort of errors. Further research showed that about 15 – 16 GL p.a. of water has been used, on average, in the valley. This means that 1 GL of water produces about \$2mill in on farm income – or 1 ML produces \$2000. The flow on effect of this as usually considered by economists as about 3 fold. Therefore, 1 GL generates about \$6 mill into the economy. This also defines the value of water for the Broken Valley to farmers. At 8% interest, a farmer would have to invest \$25,000 to generate \$2000 p.a. If the Government chooses to buy back water, will it replace it at that rate of \$25,000/ML? I don't think so. If they don't, who do you think suffers? The economies of rural communities will once again be eroded. The proposed buy back in the Broken Valley must not go ahead. Our water is too valuable and used too efficiently to justify any such action. The logic in the MDBA Guide is also further flawed in that it looked at the health of the Broken Valley during a drought period and while Lake Mokoan was still in operation. Now Mokoan has gone, the Broken Valley should be exempt from any further cut backs.

**Curtails Food Production**

The second flaw in the MDBA guide is that it assumes that our food & fibre production can come from elsewhere. Food & fibre is one of the few exports this country has. Because of the monopoly of supermarkets and their quest for cheaper products, we are slowly becoming a major importer of food. If this is allowed to continue, we will merely be moving our environmental footprint off shore. I don't expect the MDBA to bother to look where our food is coming from, but the Government should. What is the state of the catchments that export to Australia? What is the state of their labour laws? Their OH&S laws? Their chemical handling laws? What is the state of our labelling laws that don't make us seek answers to these questions? The government could justifiably impose duties on those importers that do not abide by the same production constraints facing Australian farmers and use those duties to enhance the efficiency of our farmers and the health of our catchments. It seems to me, and many like me, that to cat back on irrigated agriculture is just a knee jerk reaction to a very complex problem and that Governments and their boards and advisors are not smart enough or willing enough to find viable and sustainable solutions. We are no longer a clever country, we are becoming the dumping ground of the world.

I hope you include these thoughts in your deliberations. I would be interested in a reply so that I know they were taken seriously.

With thanks

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**Auldstone Cellars**