



15 December, 2010

Mr Tony Windsor, MP
Fax: 02 6761 3380

Dear Sir,

I wish to express my grave concerns with the proposed Murray-Darling Basin Plan which I believe will do irreparable harm to the social and economic fabric of this region.

It is impossible to gauge an accurate figure of the percentage of water that will be withdrawn from the Murray Irrigation Limited under the MDBP. The MIL had a bulk water entitlement of 1,479,032 ML (1,479Gl) of which 3,170 ML are high security town water entitlements and the remainder being NSW general security entitlements servicing 2,416 landholdings with a total area of 748,000 ha.

Close to 200Gl of permanent water entitlements have already been sold to the Government for environmental purposes and the Federal Water Minister, Mr Tony Burke, recently announced another round of water buybacks, setting aside \$200 million for the southern part of the Murray catchment.

We fear that the estimated volume of water leaving the Murray Irrigation Ltd irrigation district will create a permanent drought for this region. Rural communities have proven to be very resilient and have withstood the prolonged drought but the loss of morale and confidence in our financial future as a result of the MDBP cannot be underestimated.

Some key points which I would urge you to consider when you undertake your investigation of the Murray-Darling Basin Plan include the following:

1. Figures in the MDBP drastically underestimate the economic impact of proposed Sustainable Diversion Limits.
2. There is a necessity to change the Water Act 2007 to amend the focus on the environment and ensure social and economic impacts are given appropriate consideration. Despite Mr Tony Burke claiming his legal advice refuted the necessity to alter the Water Act 2007, the bureaucrats in charge of implementing the reforms think otherwise. The Chairman of the MDBA, Mr Michael Taylor has defended the Plan's focus on the environment saying it is backed up by the Water Act. Mr Taylor stated, "The Act mentions the environment 258 times, sustainability 60 times, irrigated agriculture three and agriculture once. I think it is important to understand where the Act is focused."
3. Water buybacks should be suspended immediately until the costs of maintaining the remaining irrigation system and the economic impact on the regional communities are known.
4. In 2007 the Howard Government set aside \$10 billion for water reform including \$6 billion for infrastructure to ensure efficient use of water. Why have water efficiency projects been

deferred or rescinded. What has happened to the promised on-farm investment in infrastructure?

5. The relentless recent rains have resulted in vast volumes of water draining into the ocean and flooding towns. We need more deep dams and well maintained dams to ensure efficient capture and storage of water.
6. Farmers can withstand droughts but not political interference. Do not give undue political power to the Greens who have a track record of ignoring commonsense and hijacking reasoned debate.
7. Value the rural communities which are vital to the nation's wellbeing.
8. There is an increased risk of selling devalued Australian farmland and rural infrastructure to foreign investors. Governments should not be intent on devaluing the importance of its future food production and increasing the cost of food for all Australians when other countries can see the need to secure future food production sources. A good example is the offer to buy SunRice by the Spanish company Ebro Foods which will be presented to SunRice shareholders in December and they will vote on the proposal in March 2011.
9. With the reduction of water for agricultural purposes there will be a greater need to import food with the accompanying bio-security and human health risks.
10. Have all other ways been considered to achieve the MDBP's environmental objectives to sustain the ecology of the Coorong and Lower Lakes – natural or man-made – rather than removing large percentages of water from highly productive irrigation systems and sending it to Lake Alexandrina and out to sea. The water quality in the Coorong and Lower Lakes has been a problem even prior to the barrages in 1938 and the irrigation systems. Will there ever be enough water for these ambitious environmental objectives and does the science withstand scrutiny?

My husband's family bought land in the Deniliquin area in 1860s and my family bought land in the Deniliquin district in 1948. Both families are typical of the many families in this area who have been determined to forge a living from farming. They have endured the many hardships related to living in what seems at times an unforgiving landscape such as droughts, rabbits, locusts, dust storms and bush fires as well as isolation, poor roads and communication and sub standard medical services to name a few. There have been many consecutive years when finances were strained due to negative incomes because of prolonged drought conditions or other unforeseen events. The one advantage this area has had to combat low rainfall has been the allocation of water licences and the ability to irrigate and so give much needed security to produce crops and pasture.

Since water allocations were introduced into this region, most of the large, broad acre stations have been carved up into much smaller, irrigation farms. Many farming families have bought into this region because of the irrigation licences and the expectation of water security to ensure a viable farming enterprise. Rice has proved a highly productive and lucrative crop for the hot summers in this area and the infrastructure developed over six decades has been world class. Many farms in this irrigation district have undertaken Land and Water Management Plans at considerable cost which entails surveying and mapping the entire farm and expensive earthworks including land forming and new banks, channel systems and water storages specifically designed for water efficiency.

I agree with the statement in the MDBP Guide p 85, that "Rice farmers are highly sensitive to any reduction in long-term diversion limits that decreases the value of their water assets, because they have typically geared their operations around the value of their water entitlement."

However, I do not agree with the generalised statement also in the Plan that "...if the price of water is higher due to low allocations and/or crop profitability is lower, they (rice growers) will sell their water." In our case,

when water allocations were insufficient to grow a rice or wheat crop the remaining carryover water was necessary to grow pasture during the drought to ensure the survival of the breeding sheep.

The Murray Darling Basin Plan proposes to reduce the water allocation to the Murray region by 26-35%. Some fear that the actual amount of water available for food production in NSW alone could eventually be cut by 89% in some areas with the Murray around 60%; Murrumbidgee around 75%; the Lower Darling 43% and the Lachlan 32%.

At the meeting held at the Deniliquin RSL Club on 13 October, 2010, the representative from the Murray Darling Basin Authority advised that there will be no forced sales to reduce the current diversion limits to attain the average sustainable diversion limits after environmental needs have been met in accordance with the environmental water requirements of the Water Act.

If the cost of delivery increases due to fewer water licence holders in the system, whether willing or desperate sellers trying to reduce debt by selling their water, this will inevitably affect the pricing structure of those remaining licence holders and may even necessitate the remaining licence holders to sell because the channel system becomes untenable.

The future will resemble a drought when the water is simply not available to an irrigation district and this is reflected in the reduced or nil percentage of allocation available to each member in the system. We will not have sold our water but we will effectively have a forced reduction in water allocation and licence holders will still be charged for the costs associated with the licence whether there is water delivered or not.

Our farm has been a financially stable farming enterprise for four generations and has withstood the drought but we are no longer confident that our current enterprise will support a fifth generation. There is no way of knowing at this stage what the final outcome will be for our irrigation system as the figures are extremely varied. Who can predict how many farmers will make the decision to exit altogether or sell their permanent water rights and how that will affect the price of the water left in the system? However as outlined in the MDBP Guide the average gross value of irrigated production of \$1,702 as opposed to non-irrigated production of \$79/hectare, the future looks bleak.

It is not difficult to perceive that a reduction in water allocations for farming purposes will inevitably reduce production, reduce land values and reduce employment opportunities accordingly. The rural townships in the most affected areas will bear the brunt of this reduction to their incomes but there will also be a flow-on effect to the cities. Unfortunately people in the city sometimes fail to appreciate that a prosperous nation needs functional, viable farming communities as well as cities.

It is understandable how people who gain the bulk of their information from newspapers or from the radical Green movement can have a disturbing prejudice against irrigators. Irrigators have been repeatedly and most unfairly vilified in the press portrayed as environmental vandals and profiteers.

The rural sector has a very real interest in preserving and maintaining the health of the land and the river systems for the next generation. If politicians and the powerbrokers behind the scenes do not fully appreciate the farming community's intrinsic worth to the general well being of Australia, I think we have real cause for despair. The Murray Darling Basin is the food bowl of the nation and it is very disturbing to read reports that are prepared to put this in jeopardy and other ludicrous suggestions such as that Murray River irrigators should simply relocate to the Ord River.

At the meeting held at the Deniliquin RSL Club, the representative for the Murray Darling Basin Authority stated that this proposed Basin plan was designed in order to implement the provisions laid down in the Water Act 2007 which was initiated by the Howard government and passed by all parties. Unfortunately it came across very much like an excuse to avoid responsibility for the proposed Murray Darling Basin Plan. It is now

apparent that the recently resigned Chairman of the MDBA, Mr Michael Taylor, has conflicting legal advice to the Water Minister, Mr Tony Burke, concerning the central point determining this whole matter.

If a government body proposes to severely reduce the water allocations in long standing and economically productive irrigations districts it must be done with very thorough consideration to all the grave economic and social implications that will ensue from these decisions. If the Water Act 2007 excludes or downgrades these factors when determining best practices for water allocations throughout the Basin and is primarily and narrowly focused on the environmental component then the legislation should be amended as a matter of urgency as all outcomes will be fatally flawed from the outset.

It is imperative that the balance between the environment and urban and agricultural needs are all judiciously and most carefully considered and not unduly influenced by a fervent and dangerously idealistic green movement which unfortunately has gained a political advantage at this crucial time.

This is no time to sit on the sidelines and watch a social and economic disaster unfold because Australia's increasingly urbanised population are misguided by the constant sensational misinformation in the press and feel they have no choice but to pass such restrictive legislation otherwise they risk environmental Armageddon.

Climate change caused by global warming is a direct result of the world's excessive and increasing population. Although climate change seems impossible to forecast it is predicted that we may have to cope with extreme climate variations in the future and I would have expected there to be an increasing demand on water for critical human needs. I read that under the Department of Health and Ageing projections, Wagga will have a net extra 10,000 people by 2026. However, I note that the projected critical human water needs dependent on the River Murray system for NSW would decline from 75 to 61 GL/y (ref MDBP Guide p149).

Regional towns like Wagga, Griffith, Albury, Moama have thrived and grown exponentially as they have been given priority from the NSW State Government in their policy to centralise government services over the last 20 years. Unfortunately this policy has been to the detriment of the smaller regional townships like Deniliquin which over that period has seen many of its services removed to larger towns.

When the CSIRO Field Station was closed in Deniliquin it heralded the start of a steady withdrawal or decline of health and government services such as the removal of the Department of Main Roads District Office, reduction of the Dept of Agriculture, closure of the Hospital Kitchen in favour of chilled meals, changes to the Justice system such as the loss of the Probation and Parole Officer in Deniliquin and changes to the Workers Compensation Act, etc which means that there is no longer a District Court operating in Deniliquin. When services are relocated to another town those jobs and families are lost to the town and this has a snowballing effect on the town's infrastructure and services. It is death by a thousand cuts.

The recent closure of the long standing sustainable timber industry in the Barmah and Millewa State Forests which the NSW Government have now gazetted as National Parks has also been yet another blow to Deniliquin and Mathoura's economy. The NSW Government were determined to win the Green votes so they were not interested to recognise that the Forests were being sustainably and responsibly logged. NSW Minister for Climate Change, Frank Sartor, was quoted as saying "I'm going to give you people a lesson in politics – the Greens hold 15 per cent of the vote – we need their vote to stay in power. They want a significant national park and they want it in red gum. It's all about Greens' preferences."

The forestry licences were revoked and also the grazing permits and many now fear that the forests and all the wildlife therein will face a very greatly increased risk of extinction due to fire caused by the increasing fuel loads and undergrowth which will also endanger fire crews and hamper their efforts to prevent a total disaster should a fire break out.

What was particularly evident when this debate was in progress was the relentless and well timed political interference by the Greens. No amount of favourable Environmental Impact Statements nor evidence to show that the timber logged from the Barham and Millewa State Forests was done in a sustainable way could sway the decision. In May 2009 the Senate passed a Greens motion supporting the Federal Environment Minister Peter Garrett's controversial move to stop logging in Deniliquin in New South Wales because they claimed it would endanger the superb parrots habitat. When it looked likely that commonsense would prevail the Friends of the Earth Melbourne website – www.melbourne.foe.org.au – facilitated a flood of emails and phone calls to Premier Keneally to ensure she would not reverse her decision to create a 48,000 ha national park. Is it any wonder that people have lost confidence in the commonsense of Governments when they are prepared to give the radical Green movement dominance over our lives for short-term political gain.

As a result of Government policy to centralise services despite the economic impacts on rural communities, it is little surprise to read that smaller towns are more reliant than larger towns on irrigators' expenditure (MDBP Guide p96) and that 75% of total farm expenditure is in the regional economy. Deniliquin is identified as one of the eight towns that will struggle to remain viable in the absence of sufficient irrigation and it is estimated that 90% of industry in Deniliquin is directly reliant on irrigated agriculture.

The Plan predicts a fall in Basin-wide employment of around 800 full-time jobs if 3,000 Gl/y SDLs is adopted. This is in stark contrast to the recent study commissioned by the Riverina and Murray Regional Organisation of Councils which found that for every 10% reduction in water 4700 jobs directly linked to agriculture will be lost within the region.

As stated in MDBP Guide p37, the Authority has drawn on data from the Australian Bureau of Statistics so I expect the statistical projections for population growth in Australia will have been factored in to the MDBP. Growing a "Big Australia" of 50 million people would be foolhardy without a comprehensive water plan and the infrastructure in place to deal with the water needs and food requirements of a greatly increased population. As demonstrated in the recent prolonged drought, it was a struggle to retain sufficient water for the critical human needs for our current population despite water allocations being minimal or at zero level for agriculture for this period. Water restrictions in the Murray Shire were changed from Stage 2 to Stage 1 in November and Stage 2 water restrictions are still in place in Deniliquin.

I recognise the importance of the Murray Darling Basin Plan to better regulate and understand the immediate and future water needs of this country from a comprehensive perspective. Our most critical and scarce resource is water and it must be very carefully regulated to ensure the best outcome for all is based on sound reasoning and data and for all the right reasons.

It would be a tragic outcome if the misinformation and scare tactics by a vocal and politically powerful minority of green activists were to derail a plan for water reform which will ruthlessly devastate the economic fabric of many rural communities in the Murray Darling Basin.

Yours faithfully,

Meredith Landale