



Friday 17th December 2010

Committee Secretary
House of Representatives Standing Committee on
Regional Australia
PO Box 6021
Parliament House
CANBERRA ACT 2600
Phone: (02) 6277 4397
Fax: (02) 6277 4034
email: committee.reps@aph.gov.au

**Submission to the House of Representatives Standing Committee on
Regional Australia Parliamentary Inquiry in response to the release of the MDBA
Guideline on the 8th October 2010**

The Task of the Standing Committee

The Standing Committee on Regional Australia will inquire into and report on the socio-economic impact of the proposed Murray-Darling Basin Authority's 'Guide to the Proposed Basin Plan' (the Proposed Basin Plan) on regional communities, with particular reference to:

The direct and indirect impact of the Proposed Basin Plan on regional communities, including agricultural industries, local business activity and community wellbeing;

- Options for water-saving measures or water return on a region-by-region basis with consideration given to an analysis of actual usage versus license entitlement over the preceding fifteen years
- The role of governments, the agricultural industry and the research sector in developing and delivering infrastructure and technologies aimed at supporting water efficiency within the Murray-Darling Basin.

In examining each of these issues, the Committee will also consider community views on:

- Measures to increase water efficiency and reduces consumption and their relative cost effectiveness;
- Opportunities for economic growth and diversification within regional communities; and
- Previous relevant reform and structural adjustment programs and the impact on communities and regions.

Thank you for the opportunity to provide a submission to this inquiry.

Background

From the outset can I say I am a strong advocate for the development of a MDB Plan but a plan is something that has to have ownership by all stakeholders, it has to have unquestioned credibility and it has to have a clear purpose with very specific goals and objectives.

Before I proceed I will provide a little background of who I am.

I have spent 34 years living in the Riverina having been born and educated in Melbourne. I have a strong passion for agriculture and community. Most of my 34 years has been spent involved in both of these passions, where today I am a partner in a planning, accountancy & general insurance business that caters for a large and diverse (geographically) client base, predominantly being farming families and small rural business.

Our business is based in Deniliquin in southern NSW where the head office of Murray Irrigation is located. My wife and I own and operate an irrigation farm just north of Deniliquin which is a mixed farming business. We live there with our two school aged children.

Currently I chair the Murray Group of Concerned Communities, a group that represents some 31,000 people across the Central Murray region of NSW. I also chair a community fund that raises dollars from the community for the purpose of redistributing as scholarships to students who are going on to tertiary, vocational or apprenticeship studies. All the students we have interviewed have a common desire to return to their home town once that have gained qualifications. Something I will refer to later in this submission.

The purpose for the short summary is to demonstrate I speak with experience, investment, knowledge, commitment and above all a very strong desire to see good outcomes from this planning process to ensure our community and indeed all communities across the basin are able to offer a future for our children and their children that is full of options and opportunity. A future that is full of certainty.

The Guideline as it has been presented falls well short of this objective. It has undermined our community's confidence and certainty has been severely damaged and will take a long time to repair. Indeed if implemented as presented in the Guideline the Plan would run a very high risk of dislocating and destroying communities such as the one I live, raise a family, invest and work in. The risk of this is so high the proposed plan as outlined in the Guide must not proceed in its current form.

I refer back to my opening comment. I remain a strong advocate for a Plan. A well developed plan that is well executed, one that provides real certainty with real outcomes that can take our communities and the environment we rely on well into the 21st century. A poorly developed and executed plan will cause irrevocable damage. Sadly for us all the pathway we are currently travelling is the later.

Why is Australia embarking on such shortsighted, destructive public policy at a time when we should be visionary and developing good policy that reflects the realities of what is happening on a global basis. Our community is not in crisis because of a degraded environment; quite the contrary. We are facing a crisis as a result of a short sighted political environment that responds to the minority at the expense of the majority.

This Inquiry provides the opportunity to make a difference to ensure our communities avoid the crisis and continue as strong vibrant communities.

Our Region – A context, food for thought

I would like to point out some fundamentals of our region and what they mean for Australia.

- It is part of the largest gravity fed irrigation system in the world, primarily the irrigation regions of Murrumbidgee, Coleambally, Murray Irrigation and the northern Victorian system.
- The system can be a net generator of energy at a time when global energy costs are going through the roof.
- The off takes to these irrigations systems is close to the head works and the water is taken away from the river system.
- The source of water is renewable and in a year we are currently having demonstrates how quickly the dams can fill.
- Our region is a significant food bowl for Australia and the markets it services overseas.
- The world is currently experiencing food supply disruptions and this is projected to get worse as global populations grow to a projected 9 billion by 2050.
- The demand for food will be critical.
- The capacity of Australia to continue to produce & increase adequate supplies of food will be critical; Australia's capacity to keep trade routes open and operating is critical as these are the countries strategic defense lines.
- The majority of irrigation systems around the world rely on ground water and this supply is diminishing and the recharge is measured in 100 to 1000's of years so the water supply is diminishing and the cost of extracting the water is rising rapidly.

Community Engagement

To achieve the objective that Minister Burke has stated “healthy rivers, food production and strong regional communities”, which can result from a good plan, requires a very fundamental ingredient of good planning, an ingredient that has been missing to this point; effective engagement that will lead to ownership. Without effective engagement and ownership the plan will fail and failure will be measured by broken communities, fractured production systems and growing welfare dependency. Not a good outcome.

Our community has a strong desire to have a healthy environment. Like many irrigation communities across the basin we have been at the forefront of environmental leadership and initiative. We have been early adopters of new initiatives in terms of good environmental management, something that is misunderstood and perceived to be quite the opposite in many sectors of the national community.

Part of good engagement is to participate in our communities and experience first hand the advances that have been made with regards to environmental management and gain first hand an understanding of the knowledge and commitment we have to environmental outcomes. Healthy environments cannot be at the expense of rural communities; the socio economic assessments must be an equal part of good planning.

Our community wants to engage in a process that will deliver an equitable balance across the three considerations of a triple bottom line, environmental, social and economic. Without strong and sustainable economies both the environment and the social fabric of communities will suffer. It is an imperative to ensure there is a strong economic foundation. For this foundation to have strength and resilience it must be built with high levels of confidence and certainty.

To achieve high levels of certainty and confidence and for the outcome to be successful a critical issue to focus on is community engagement. To this point in time engagement has failed dismally. Historically Governments have not had a good track record in respect to effective community engagement.

There are some examples of very successful community engagement models. There are two recent models that are worth noting. The first is the Land and Water Management Plan model that was implemented in the southern region of NSW in the nineties in response to the increasing threat of salinity. It was built from grass roots up, it was well resourced, with strong community participation and the outcomes were very successful. It achieved real ownership that went on to create real solutions because it was driven from grass root up, not from bureaucrats down. The second is the Environmental Champions program that was initiated by Rice Growers Association of Australia (RGA) and is run by the RGA for rice growers across the Murray and Murrumbidgee regions.

To this end I ask the Inquiry to consider a model of community engagement as it is a critical part of developing and implementing the Plan, without it the Plan will fail.

As a suggestion it may be worth considering the appropriateness of decentralising the Authority and locate officers in the regional areas of the Basin. This provides a collaborative approach to developing solutions that everyone can implement and live with. Without this component certainty and confidence will remain damaged with the very people you need to have on board for the Plan to work being disenfranchised, a very poor starting point.

Socio Economic Assessment

Having created an effective engagement model the socio economic assessment must be done at grass roots level. It must have regional, sub regional and micro focus. It has to look at short to medium term impacts.

It cannot be done using national statistics such as ABS/ABARE based on longer term impacts, simply using this data to make judgment as to the impact of removing more water from consumptive use. The economic assessment presented in the Guideline was nothing short of absurd and ridiculous to the point of being insulting to communities and industries that play a role in the economic contribution to GDP and a much more significant role in the creation of export dollars.

From my professional perspective as a farm business consultant the social and economic impact on farming businesses and the flow on effect will be considerable in regard to the volumes of water that are cited in the Guideline. Even at the lower end of 3000GL the impact on our region bounded by Murray Irrigation will be a 50% reduction in water. The economic impact will be considerable. This will render farm businesses unable to generate sufficient surplus funds of any sort. The proof of this is evidenced when analyzing farm business performance over the last ten years. Farming families will be left with no alternative but to sell up and leave the district. The flow on effects of this will be felt across the entire region and across the basin. The socio economic assessment is critical and it must be carried out as part of the community engagement model.

These concerns are underscored by the analysis Marsden & Jacobs did where they quote that once reduction in access to water reaches 20% and beyond in regions such as ours the economic impact will be hard felt and towns if they are not resilient will disappear. This is not acceptable.

The Community must participate in the analysis and assessment and it must be involved in determining the solutions.

The Murray Irrigation region has already released 17.5% to the environment through various Government programs. Hence we are very close to being vulnerable to economic and social dislocation.

I recommend the Inquiry create specific guidelines and questions to provide the foundation for this analysis and set as a priority that communities are engaged in this process.

Account for environmental water

The water that has already been purchased by Governments must be taken into account as part of the overall contribution to the environment. No water should either simply evaporate from the calculation or be treated exclusively. The water already made available to the Basin some, 1750 GL, must be recognized and available for public scrutiny. The volume and management of this water must be able to be substantiated as to its purpose, use and effectiveness.

This water must be just as accountable as water used by irrigators.

A plan must be developed for the environmental water and it must have accountability with clear reporting procedures and timelines.

Water Efficiency

Efficiency gains can be achieved from a menu of options ranging from simply reviewing river management to engineering solutions to investing in the latest technology of metering and monitoring to a full review of water conservation (which would include urban and rural). The ability to create water simply by being practical let alone by being innovative will not only lessen the burden on irrigated food producers and the communities that rely on them, it will ensure Australian policy makers and river managers remain at the forefront of worlds best practice. This will ensure the maintenance of an effective and efficient irrigated food and fibre sector supported by strong rural and regional communities. Simply “adding water” to what is perceived to be a stressed river system may only exacerbate the problem, if indeed there is a problem that is as severe as some would like to believe.

The Guide indicates that the measure of success is simply end of river flows. This is a ridiculous notion and as part of proceeding to a draft plan, more sophisticated measurements of success must be established. In a natural environment (pre European and early settlement) it is well documented that the rivers ran dry.

The importance and significance of expediting investment in infrastructure must be elevated. The economic assessment of such investments must not simply be based on the simplistic approach of return per ML. The determination to invest in infrastructure must take many other aspects into account but primarily it must be based on the fact it is an investment in Australia’s future. Using dry economic modeling puts at risk our communities and indeed Australia’s future prosperity. An important part of the ingredient for assessment must be Vision not simply \$/ML.

Water efficiency also needs to take into account water has more than one purpose as it travels down a river; at one point it will be contributing to environmental benefits and at another point it can have economic benefits. The Plan must not compartmentalise water, it must recognise water has multiple benefits. By taking this into account it will provide the opportunity to lessen the required volume of environmental water. We need to be more sophisticated in how we look at the problem and therefore how we develop the solutions.

Alternative solutions to capturing water for the environment must be elevated in terms of priorities.

The Science

A plan will always be based on assumptions and these assumptions must be robust, sound, defensible and not be weakened by running the risk of being distorted by bias. I refer in particular to the science that has been the foundation of the Guide and the pending Plan. A good plan must be able to defend the assumptions that are used to found the plan. Our community has no confidence in the assumptions or the science that has been used as the justification of the Guideline.

I recommend this issue be rectified with a full review of the science and that all science must be peer reviewed.

Whole of Basin Approach

The issue of inclusiveness versus exclusiveness needs to be resolved. I refer specifically to the fact that the basin as a whole is not subject to review under this planning process. To this end the Lower Lakes/Coorong must be a part of the overall review and consideration of the Plan. Leaving this significant area out only highlights the weakness and inadequacy of the Plan and leaves it wide open for criticism.

The plan must be holistic and remove the issue of exclusivity it must be an inclusive plan.

Good Planning

Good planning requires an understanding as to why a plan is required in the first place. It requires vision, a vision that has clear definition and agreement as to what is to be achieved, how it is to be achieved, who is going to be involved and over what time frame (why, what, how, who & when). A good plan will encompass effective engagement with the stakeholders as this will elevate the probability of buy-in and a strong sense of ownership. Once this is achieved the probability of delivering on the desired outcomes of the plan successfully will rise considerably. A good plan is founded on assumptions and these must be transparent, be able to be justified and have relationship to both the past and the future. And finally a plan must have accountability. Where our communities and farming businesses find themselves now is in a space that is full of uncertainty, mistrust

apprehension and a sense the Government has failed us, as individuals, as businesses as organisations and as communities.

The Inquiry needs to consider this as part of its review of the plan and the process and ensure a recommendation is made that ensures good planning is adhered to and that this starts with true and proper community engagement and this goes far beyond simply thinking good consultation is about having a series of community meetings.

Conclusion

I thank you for the opportunity to pass my thoughts and considerations onto the Inquiry and trust they are taken into account as we move into the next phase of this planning process.

My future, my children's future, my client's future and my community's future depend on good planning not a plan that will simply appease a certain sector of the community. I look forward to working with the Inquiry as apart of an effective community engagement process to achieve a plan that will fulfill the expectations of our communities, that is communities that offer our children and their children a future full of options and opportunity. A future where the children of these communities can go and further their education with the knowledge they can return to jobs and communities that offer them a future.

Bruce Simpson

Business Owner/ Farm Adviser/Farmer/Community Participant/Family Man
Peppin Planners, Deniliquin, NSW, 2710,
"Coolowie" Stud Park Rd, Deniliquin, NSW, 2710

Yours