

Submission to
Senate Standing Committee on Rural Affairs and
Transport – the Management of the Murray-Darling
Basin

December 2010



AUSTRALIAN FLOODPLAIN ASSOCIATION

Affiliated Groups:

The Paroo River Association
The Macquarie Marshes Environmental Landholder's Association
The Coopers Creek Protection Group
Boggabilla Boomi Floodplain Association
Lower Balonne Floodplain Association
Tilpa Community Committee Inc.

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1.0 Introduction

The Australian Floodplain Association (AFA) is pleased to provide the following submission to the Senate Standing Committee on Rural Affairs and Transport – the Management of the Murray-Darling Basin.

The Australian Floodplain Association (AFA) is a non-government organisation primarily composed of floodplain graziers, dry land farmers and regional community members who support the sustainable use of rivers and their associated floodplains and wetlands.

AFA affiliates are: The Paroo River Association, The Macquarie Marshes Environmental Landholders Association, The Coopers Creek Protection Group, Boggabilla Boomi Floodplain Association, Tilpa Community Committee Inc. and Lower Balonne Floodplain Association

AFA strongly support the principles of:

- having one authority manage the Murray Darling Basin;
- ensuring that extraction of water from the Basin is sustainable and does not adversely impact the health of the environment in the short or long term;
- Commonwealth buy-back of water and the institution of infrastructure and water improvement programs to correct the over-issuing of entitlements and maximise the efficient use of extracted water.

2.0 Terms of reference

AFA provides comment on the management of the Murray-Darling Basin with particular reference to the following terms of reference:

(a) the implications for agriculture and food production and the environment;

- AFA believes the surface-water SDL target range of 3,000 to 4,000 GL/y proposed by the draft Basin Plan should be a minimum. AFA will not support a figure that does not ensure the return of sustainable environmental conditions.
- Basin rivers have been detrimentally impacted by the over-issuing of entitlements, unless this is addressed the prospect for sustainable agricultural industries, assured food production and the health of our environment are dire.
- Returning water to rivers to achieve a sustainable environmental outcome for our valleys is entirely compatible with assuring a sustainable and productive floodplain agricultural industry. Our farmers and graziers need a healthy and productive environment to achieve good outcomes for their business producing food and fibre for local consumption and trade.

(b) the social and economic impacts of changes proposed in the Basin;

- Current socio-economic studies and profiling of Basin communities is not representative of the contribution and role of non-extractive enterprises. These enterprises have been ignored thereby presenting an unrealistic and inaccurate picture of the effects of the Basin Plan. Floodplain enterprises will **benefit** economically from increased flows of water.
- In the northern areas of the Murray Darling Basin floodplain properties significantly outnumber irrigation properties – these farmers and graziers who have traditionally relied upon overland flows to prime their land have been directly and adversely affected by the gradual and continuous loss of water across their land through the diminution in size and frequency of flood events – this has halved income, seen small

rural communities diminish or disappear – these communities will **benefit** from healthier rivers.

- Assessment of the actual long-term labour market impacts has been too narrowly focussed on irrigation and not communities as a whole. A realistic assessment needs to factor in the following:
 - Labour peaks occur at the inception of an industry as they go through the construction and development phases – these impacts naturally taper and disappear as the development is completed and the labour forces are no longer required (e.g. Dirranbandi, Collarenebri, Moree, Bourke, Warren). It is irresponsible for any industry to suggest that they are able to maintain a consistent or high level of employment – natural ebbs and flows in industry health through commodity prices, world markets, drought and floods will determine more directly labour markets. The key is to have sufficient diversity within a community so that there is sufficient in-built resilience in the local labour market to withstand the more severe peaks and troughs in economic conditions;
 - Technological advances, mechanisation and greater efficiencies across all agricultural industries are resulting in fewer people being needed. This is fact. Any review of labour requirements should factor in these historical trends and project forward realistically to understand the effect that GM crops, new machinery and less human intensive management practices will have on labour markets across the basin. The downward trend in employment across all agricultural enterprises is testament to the agricultural sectors ability to get efficient in the face of world market trends – this is something that irrespective of the MDB Plan will continue to occur. Preferably it occurs to sustainable industries and not ones that through lack of water are going to disappear naturally;
 - The removal of water from non-extractive enterprises has had a negative impact on local labour markets – any realistic labour market modelling for the plan should factor in the improvement that will occur to these enterprises.
- AFA is aware of the excellent research work being undertaken and auspiced by the Centre for Remote Health Research, Broken Hill Department of Rural Health and Newcastle University. Governments at all levels should make use of this valuable collection of existing research and assist in further focussed research into the **positive** as well as negative wellbeing outcomes for communities facing changes as a result of the implementation of the Basin Plan. Increased water into rivers improves crime figures, provides certainty to stressed farmers and generally benefits communities.
- The current draft Bain Plan underestimates the real financial contribution floodplain enterprises make to Australian agricultural production and exports.

(c) the impact on sustainable productivity and on the viability of the Basin;

- Despite at least two decades of attempts by NSW and Queensland Governments to measure, quantify, license and monitor floodplain harvesting diversions this remains an unresolved and inexact science. Further the ability to intercept and divert floodplain flows on an individuals property has a detrimental impact on the natural and healthy flow of water across a floodplain and impinges on the rights of fellow floodplain landholders to the water that would flow across their property if no 'harvesting' occurred.
- AFA has sought assurances from the MDBA that all forms of overland flow harvesting on floodplains will not be allowed to continue and that existing licensed extraction and storage using this method will be nullified.

(d) the opportunities for a national reconfiguration of rural and regional Australia and its agricultural resources against the background of the Basin Plan and the science of the future;

- AFA supports the scientific based focus and selection of Basin health indicators that ignore artificial boundaries (state borders) or use industry prosperity as a means to establish SDLs.
- AFA supports the importance placed on floodplains and the role they will play in assessing the overall health of the Basin.
- AFA submits that having recognised the key role floodplains will play in establishing long term the relative health of the basin, further refinement of the Basin Plan should place greater importance on empirically researching and analysing the breadth of agricultural enterprises that these floodplains support and sustain and the symbiotic relationship between floodplain health and economic resilience in rural areas.
- Irrigation should not be extended to rivers such as the Paroo River. It is essential that such rivers be left in a natural state. One benefit would be to have rivers in a natural state as benchmarks for the condition of developed rivers. History shows around the world that the longevity of irrigation-based economies is not good. Even the Nile delta has been very negatively impacted by the construction of the Aswan Dam in the 1950-60s.
- The science of the future needs to take on board the clearer understanding of how rivers operate in the Australian context, which has only become a subject of multi disciplinary approaches in the past two decades. Government should be at the forefront of funding and commissioning such research.

(e) the extent to which options for more efficient water use can be found and the implications of more efficient water use, mining and gas extraction on the aquifer and its contribution to run off and water flow;

- Efficient use of water is important in all aspects of its use. However, there is a limit to how much water can be recovered and injected back into the river systems for environmental improvement through efficiency gains. Major volumes can only be recovered through buyback schemes. Implementation of better and more comprehensive monitoring and compliance systems will assist but only if their management is funded in the long term.
- The Coal Seam Gas industry must not be allowed to pollute aquifers of good quality water.
- The Coal Seam Gas industry must not be allowed to pollute streams with salty water.

(f) the opportunities for producing more food by using less water with smarter farming and plant technology;

- Australian farmers and graziers produce and sell their produce (food and fibre) onto a global market – getting smarter with less has been an industry wide mantra for decades. All farmers, whether irrigators or dryland, are very good at developing and adopting smarter means of production. This is an important area of research and development that has to be encouraged.
- Governments need to continue supporting industry research bodies that work in the water efficiency areas.

(g) the national implications of foreign ownership, including:

(i) corporate and sovereign takeover of agriculture land and water, and

- This is a policy issue for governments that has implications for repatriation of funds earned in Australia to the asset owner's country of origin. There is unease in rural communities over the issue, but little hard data to work on.

(ii) water speculators.

- It needs to be clarified how water speculators will operate in the developing water markets in the MDB. While trade of both temporary and permanent water is limited to those who are growers of products there is little to fear. When third parties hold water entitlements without any land or crops to apply the water to, a completely different situation arises and one where there is no experience to act as guidance. The issue of foreign ownership of the asset also arises.

(h) means to achieve sustainable diversion limits in a way that recognises production efficiency;

- The current water use efficiency programme includes this principle by sharing the water savings between the irrigator and the environment, with the Commonwealth Government providing 80% of the funding.
- However this can only apply to licensed extractors who have the capacity to accurately measure water take.
- The free market rewards highly efficient producers in two ways – they have lower water costs per unit of production and thus they produce more goods for sale with less water. This increases their profit margin.

(i) options for all water savings including use of alternative basins; and

- Water should not be moved between basins. This is irresponsible on a number of fronts. AFA is opposed to this in principle and the reasons are well outlined in the *Water for the Future Moving water long distances: Grand schemes or pipe dreams?* published by the Australian Government Department of the Environment, Water, Heritage and the Arts, 2010.

(j) any other related matters.