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Submission to

Australian Government House of Representatives Inquiry into Impacts of the Murray-Darling Basin Plan on Regional Australia

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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 Australian Government House of Representatives Inquiry into Impacts of the Murray-Darling Basin Plan on Regional Australia.

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 is affiliated with: The Paroo River Association, The Macquarie Marshes Environmental Landholder's 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:

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

- The surface-water SDL target range of 3,000 to 4,000 GL/y proposed by the MDBA should be a minimum. AFA will not support a figure that does not ensure the return of sustainable environmental conditions. Floodplain graziers and farmers will benefit enormously by having better access to floodplain water through the reduction in over extraction of water from the Basin rivers. This will have a beneficial flow-on effect within local and regional communities.
- The current socio-economic studies and profiling of Basin communities as presented in the draft Basin Plan is not representative of the contribution and role of non-extractive enterprises. Further socio-economic studies into the impacts of the proposed targets must include a full account of the socio-economic contribution made by floodplain producers to regional communities and a better appreciation of the fact that these enterprises have suffered through water being taken away through the process of over-issuing of entitlements. If water is returned to the rivers these enterprises will have an improved outcome economically, socially and mentally.
- The general hysteria that has accompanied the initial draft Basin Plan consultation has hampered a proper understanding of the actual long-term labour market impacts of introducing SDL's. Any realistic understanding 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 the impacts of commodity prices, world markets, drought and floods will determine labour markets more directly. The key is to have sufficient diversity within a community so that there is in-built resilience in the local labour market to withstand the more severe peaks and troughs in economic conditions;

- Regional towns need a diversity of agricultural industries, based on a sustainable use of water to provide a reasonable long term labour market;
- Technological advances, mechanisation and greater efficiencies across all agricultural industries are resulting in fewer people being needed. 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 will continue to occur irrespective of the implementation of the MDB plan. 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 floodplain enterprise labour markets – any realistic labour market modelling for the plan should factor in the improvement that will occur to these enterprises.

- Excellent research work has been undertaken and auspiced by the Centre for Remote Health Research, Broken Hill Department of Rural Health and Newcastle University. Governments 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 stresses farmers and generally benefits communities.
- The current draft Basin Plan underestimates the existing and potential future financial contribution of floodplain enterprises to Australian agricultural production and exports.
- AFA supports the scientific based focus and selection of Basin health indicators that ignore artificial boundaries (state borders) or use specific 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.
- 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.
- It was clearly indicated in the Basin Guide public consultation meetings that in managing environmental water in the future third party impacts, such as unintended flooding, would be avoided. This contrasts with the complete indifference by State governments as to the impacts on floodplain landholders of handing out extraction entitlements that have exceeded the capability of valleys to deliver.

2. 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; and

- Factual analysis of the current status of water buy-back programmes will establish that in several valleys the SDLs have been achieved or are nearly achieved;
- 10 years of drought has established beyond doubt for many users that low security water entitlements are exactly that – water that they cannot build a sustainable business around. Subsequent compensation for these over allocations is considered fair and reasonable;
- Irrigation should not be extended to rivers such as the Paroo. It is essential that the Paroo 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. The Nile delta has been very negatively impacted by the construction of the Aswan Dam in the 1950-60s;
- 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.

3. 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;

- 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;
- Governments have allowed water extraction and storage infrastructure development to occur with little empirical data available to establish the impact this will have on river flows and health. The precautionary principle has not been generally adopted by governments. This cannot continue and it will be inexcusable for governments, managing authorities and users to continue to rely on inexact and scarce data, 'rule of thumb' allowances and intuitive science;
- All farmers, whether irrigators or dryland, are very good at developing and adopting smarter means of production. Governments need to continue supporting industry research bodies that work in the water efficiency areas;
- Government at all levels should be actively supporting the knowledge transfer between agricultural industries, states and valleys;
- Government should be actively engaging local and regional land management agencies (e.g. CMA's) to disseminate knowledge, actively track user take-up and improvements that are achieved at a local level that feed into a valley and Basin wide improvement in water efficiencies.

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

1. measures to increase water efficiency and reduce consumption and their relative cost-effectiveness;

- Efficient use of water is important in all aspects of its use;
- The current water use efficiency programme shares 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. Effective and efficient water monitoring systems have to be introduced **and** resourced in the long term;
- The introduction of efficiencies is supported, however where there has been gross over-allocation of entitlements within a valley – Government and users must recognise and accept that efficiencies alone will not achieve sustainable diversion limits. Unless and until all parties accept that only major changes in re-allocation of water will achieve a sustainable outcome they will inevitably be stewards of the river systems demise and the demise their agricultural industry due to severe ecosystem function compromise .

2. opportunities for economic growth and diversification within regional communities; and

- In the northern areas of the Murray Darling Basin floodplain properties significantly outnumber irrigation properties – these farmers and graziers 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;
- Floodplain framers and graziers have traditionally been very responsive to global markets being able to benefit from good years through opportunistic farming and the ability to move between the sheep (food and fibre) and cattle (food) production markets. This diversity is threatened by dying rivers.
- Tourists are a major income earner for outback towns along river systems when rivers are in a healthy state. Poor river health reduces the contribution to rural communities made by tourists.

3. previous relevant reform and structural adjustment programs and the impact on communities and regions.

- Corporate and sovereign takeover of agricultural land and water has generated unease in rural communities, but there is little hard data to work on.
- The separation of water from land titles enabling outside entities to enter the developing water markets in the MDB is of concern to rural communities. 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.
- Structural adjustment programs are designed to allow local and regional communities to persist into the future. Programs which foster diversity and innovation rather than reward inefficiency or bad practice are sound investments for the taxpayer.

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