

Murrumbidgee Private Irrigators Inc
PO Box 964
Shepparton VIC 3632



Committee Secretary
Senate Environment, Communications,
Information Technology and the Arts Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

10th August 2007

Dear Sir,

**SUBMISSION TO THE ENVIRONMENT, COMMUNICATIONS,
INFORMATION TECHNOLOGY AND THE ARTS COMMITTEE INQUIRY
INTO THE WATER BILL 2007 AUGUST 2007**

Thank you for the opportunity to make a submission to The Senate Inquiry into the Water Bill August 2007. The Murrumbidgee Private Irrigators represents irrigators on the full length of the Murrumbidgee River, and Yanco Creek System. Our members live from Batlow to Balranald and from Morundah to Moulamein. We are approximately one third of the diversions on the Murrumbidgee system being some 680,000 megalitres.

1 NSW Irrigators' Council

We are members of New South Wales Irrigators' Council and agree with their submission to the Inquiry.

2 Time Frame

We are of the opinion that the one day set aside for the inquiry is not giving interest groups and stakeholder groups adequate time to carefully study the Bill. The Water Bill 2007 is a monumental policy change for Australia. The Bill heralds enormous change for rural and regional Australia and for urban Australia who buy goods produced in rural and regional Australia. We are in favor of a longer period of public scrutiny of the Bill but would have to comment that as an industry we have never seen such haste for an Inquiry – there seems to be an inverse relationship between the importance of the issue and the length of time available for scrutiny.

3 In-Principle Agreement

We have had in-principle agreement to the concept of a national plan that better coordinates water resources in the basin. Significant for our members is that the Federal Government has come to the party with \$10 billion to assist in the investment of infrastructure to enable our farmers to be amongst the best in the world in terms of efficient water use. We must however reserve our final judgment on the Bill as we simply have not had enough time to study the Bill and consult with our members.

4 Inter-Governmental Agreement (IGA)

The Bill is dependent on the States signing up to the IGA and the Premiere of New South Wales has rejected the conditions imposed by the Commonwealth. We are concerned that this will impact on the ability of the Water Bill to be implemented efficiently and effectively. We are concerned also that the IGA will not reflect the intent of the legislation and we saw this in the IGA associated with the National Water Initiative. As is often the case, what the politicians want and what the bureaucrats draft up can be quite different and any IGA must encompass the detail and the spirit of the legislation.

5 Costs

It seems that with Victoria not coming on board with the legislation there is now to be not only the MDBC but also MDBA. We are concerned that the legislation will cause a proliferation of bureaucracy that our members will be forced to pay for when they have had no input into what would be efficient costs. This has been the case in New South Wales where the State Government agreed to increases in its share of the MDBC costs and all of the costs were passed on to the irrigation sector. Governments must pay extra costs incurred by increasing bureaucracies and not pass these on to our members.

6 Transitioning Arrangements for Pricing

To our mind there are no transitioning arrangements necessary – we are transitioned. The Independent Pricing and Regulatory Tribunal (IPART) have already set out a price path and have set in place the principles for dealing with legacy issues for assets. Pre 1997 asset costs are not used in pricing calculations. What the government can do is effectively use the ACCC to ramp up prices and force people out of the market through price gouging.

We believe that other users of water resources should be charged for its use. This would include recreational users of water ways. This must be done on an equitable basis with agricultural users. For too long irrigators have paid twice – once through their water bills and then through their taxes.

7 Existing Water Sharing Plans

We welcome the certainty provided on the status of existing Water Sharing plans for the duration of their life and also that compulsory acquisitions have been ruled out. A regime of compulsory acquisitions will force the price of water up and provide a climate of uncertainty for investment decisions in regional communities.

8 Membership of the Murray Darling Basin Authority and Community Committee

We believe that it is ludicrous that the membership structure would not guarantee that there was a member who had irrigation expertise. Considering the whole thrust of the Bill is to reform irrigated agriculture we find this unbelievable. Given the importance of irrigated agriculture to Australia and the world, it is critical that there are members of the Authority with irrigation expertise. Further to suggest that an authority member “must not be a member of the governing body of a relevant interest group” is again ludicrous. We believe that our leaders should be able to be part of the Authority and Community Committee as they are recognized as leaders in their industry and would bring to the Authority and Committees their large support network. They are also linked into the activities of the industry and are able to influence and provide leadership in order that outcomes sought by the government can be achieved. The likes of Peter Cullen were not asked to resign from the Wentworth Group while being a National Water Commissioner. Why should the MDBA and its committees be any different?

9 Basin Plan

We support all technical information used to formulate the basin plan being released six months before the plan so that the public can be assured of the rigor which has gone into formulating the Basin Plan. To do otherwise would leave the plan open to criticism of picking and choosing the science best suited to give the government the answer it requires. It would also give all groups time to critically look at the background information that has been used and to seek peer review if required.

10 Basin Water Market and Trading Objectives

We seek clarification of why the water market and trading objectives are (d) to recognize and protect the needs of the environment. Environmental needs are determined through the Basin and Water Resource planning processes not the water market and trading objectives.

11 Environmental Water Holdings

The Commonwealth will become holders of environmental water. It is vital that the Commonwealth coordinates their efforts with other State governments and regional bodies that hold environmental water. It is vital

that watering plans are coordinated and that specific outcomes are specified and measured so that there is transparency and accountability for the use of environmental water. It is vital that environmental water is accounted for with the same rigor as other water uses are accounted for. Where the environmental watering plan calls for flooding of particular reaches or stretches of a river the Commonwealth should indemnify property owners against potential damage caused by a “planned flood.”

Also we believe that the Environmental water should be put into the consumptive pool when it is not needed for use. We met with one senior bureaucrat from the Department of Environment and Water whose reply to this proposition was “not in my lifetime”. We believe that this type of attitude is not helpful nor is it necessarily the best way to manage water. There may be instances where it is far more sensible to trade that water. Murray Wetlands Watering Group have done this on a number of occasions when they have not needed the water and this has been a win-win situation for the environment and for consumptive users.

We believe that in the event of a dam spill that environmental water should be the first to spill.

The brevity of the time available to make a submission has meant that we have not been able to canvass all the issues in a more thorough way. We would ask that further time is allocated to a senate hearing so that stakeholders can have their say and that this far-reaching piece of legislation can get the attention it deserves.

We would be available to discuss our submission further.

Yours sincerely

CEO