



Murrumbidgee Valley Food and Fibre Association

Submission to the Productivity Commission: 2018 assessment.

April 2018

MVFFA represents business owners in the Murrumbidgee Valley. Many of our members are directly engaged in irrigated agriculture, producing a wide range of agricultural commodities. Our membership also includes those engaged in related businesses including processing, marketing and provision of professional services, from towns and cities within the Murrumbidgee Valley. Our focus is on water policy at all levels of government because the ecological, economic and social sustainability of communities like ours is dependent on how water is managed.

As an organization from the Murrumbidgee Valley, an area that relies on the responsible and efficient delivery of regulated water, MVFFA welcomes the opportunity to submit to this assessment process.

In summary, the general feeling amongst MVFFA membership is that federal and state water policy that has been based on the Water Act 2007 and the preceding NWI 2004, has been a negative, parochial, and counterproductive experience. It has primarily focused on rules and process for bureaucratic purposes with very little focus on achieving mutually beneficial outcomes for the economy, rural communities or our iconic wetland environments. New rules and regulations exhibit an inflexible and risk adverse mindset which has failed to allow for opportunities to be fully realised in above average seasons. Most of the policy initiatives lack vision and they also lack 'possibility thinking'. Consequently, for at least 10 years, our area has been subject to negative political rhetoric, uncertainty and the arbitrary removal of sustainable water resources. The result has been that producers in valleys like the Murrumbidgee Valley have been unable to maximize their contribution to Australia's GDP.

The process does not recognise that from about the 1970s, irrigators have led water reform or that irrigation businesses have adopted efficient and best practice methods. Approximately 6000GL of water resource has been committed for other use, including the environment, by irrigated Agriculture in the last four decades. Australian irrigated agriculture is recognised worldwide as innovative and efficient. Returns per ML are amongst the very best in the world.

This process has mostly resulted in an exponential increase in bureaucracy at all three levels of government: local, state and federal, which is paradoxically juxtaposed with less productive water to manage and fewer paying customers. It has resulted in higher input costs for water users and a failure of our water management authorities to be transparent and accountable. Data related to water resources, environmental flows, translucent flows, delivery constraints, storages, inflows, outflows, allocation announcements, historical rainfall patterns and historical delivery patterns has become increasingly difficult to access and independently assess. While irrigation businesses are expected to account for and pay for every single drop of consumptive water, they have watched some examples of profligate waste of public water resources apparently for political PR purposes and not for measureable and independently assessable socio, economic and environmental purposes.

- **To what extent has the National Water Initiative (NWI) and subsequent reforms enabled water use to support Australia's economic development, our communities and our environment?**

As mentioned above, the NWI and subsequent reforms has contributed to a measureable downturn in the economic, community and hence productive environmental outcomes associated with water use in the Murrumbidgee Valley. A large part of this is because of the uncertainty and distrust that has developed in our valley because the Water Act 2007 and the MDBP has 'terms of reference' that directs it to remove water from productive use for very unclear and questionable 'environmental' goals that are largely and impractically based on international treaties such as the Ramsar Treaty. A heavy focus on 'end of system flows' and average volumes has further exacerbated sensible, practical, measureable outcomes.

- **In 2018, as we reach the sixteenth year anniversary of the NWI, does the agreement still provide enduring principles to guide future water reform in Australia?**

MVFFA would argue that the NWI has mostly failed to deliver on its early promises of enduring guiding principles, streamlining and rationalisation. The process has rather led to less transparency and conflicting legislative burdens for end users. The process of consultation with the end users of consumptive water and hence those who will shoulder the long term financial burden of changing water policy, has been confusing, parochial, divisive, often exclusive and negative. In short, the general feeling is the consultation process has not been genuine as the stakeholders who have the most to lose and who will be left to pay, have been largely ignored in favour of a 'tick the box' approach and 'round table conferences' with organisations that appear to have been somewhat conflicted in their consultative approaches due to a part reliance on government funding sources. These organisations are generally not the actual end users of consumptive water but rather paid intermediaries associated with delivery, Government infrastructure, marketing, trading and commodities. Most discussions are about forging ahead for the benefit of management and internal government revenues.

- **Do any emerging issues and challenges indicate a need to adjust the NWI in the future?**

MVFFA is unclear, even after sixteen years, if the NWI is technically or legally equipped to legislate or advocate for sensible and practical adjustments to water policy and water reform. Realistically, there are limitless opportunities to adjust and to add clear and practical management principles that would deliver optimal outcomes across the three designated areas: socio, economic & environment. At this stage it appears that any opportunities to do this are severely handicapped by the 'terms of reference' in the Water Act 2007 and its heavy focus on international environmental treaties such as Ramsar.

- **What are the remaining barriers to implementing agreed water reforms and how can they be overcome?**

The remaining barriers are actually the same barriers that have been obstructive and largely counterproductive from the start of this process. In a single minded attempt to create centralised rules and regulations for our water resources that are largely based on producing averages and relying on international treaties, this process has failed to recognize the need for flexibility in our highly variable Australian climate which is aptly described in the iconic Australian poem as: “A land of drought and flooding rains”

Further, because the ‘terms of reference’ are so limiting it is apparently impossible for this process to countenance truly progressive and visionary reforms related to increasing storage capacities, management flexibility and upgrading some of our tired and outdated infrastructure. Irrigators and business owners are expected to become increasingly efficient, yet the support infrastructure is becoming largely incapable of delivering the required services and volumes for modern, best practice efficiency measures.

From MVFFA’s perspective, the barriers are mostly legislative barriers and are operating from a negative and rather short sighted, 100% risk averse paradigm in our bureaucracies.

- **Are there more efficient or effective ways, including industry and private sector participation, of achieving the intended water reform outcomes?**

There are many more efficient and effective ways to manage our water resources. However, as mentioned above, at this point they have not been explored presumably because of the limiting and regressive ‘terms of reference’ in the overarching legislation.

- **Are there opportunities to better manage the interface of water policy with other policy realms such as energy and resources, agriculture, and urban planning?**

Once again, if the ‘terms of reference’ allowed, there are numerous opportunities to better manage our water resources. There is a wealth of expertise and generational knowledge in ‘purpose built’ irrigation areas like the MIA, but to this point it has either not been sufficiently accessed or more likely, almost completely ignored. There is plenty of data and evidence to demonstrate the long term advantages of policy that is truly focused on optimal outcomes and ‘possibility thinking’.

Unfortunately this process has stymied development, progress and trust.

There is not a “plan” in so far as the traditional stewards of the land and water would define the word. What we have instead is rules and processes based on numbers and averages.

Our true environment has very little respect for computer generated projections or for process orientated departments.

The most important mindset that is required is for “Agriculture” and “NRM” agencies at the regulatory and academic levels to work together rather than compete for political funding and attention. Until that starts to genuinely occur, we don’t really have a practical plan. It is instead Political and Parochial.

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