S.A.M.I.
SOUTH AUSTRALIAN MURRAY IRRIGATORS INCORPORATED
ABN: 42 221 151 883
Assistant Executive Officer Telephone **08 8541 2165**
12A Peake Tce, Waikerie SA 5330 Fax **08 8541 3955**
www.samurrayirrigators.org.au **E-mail:** qsddpm@riverland.net.au

South Australian Murray Irrigators (SAMI)

Submission to the

Senate Standing Committee on Rural Affairs and Transport.

The management of the Murray Darling Basin.

December 14th 2010

South Australian Murray Irrigators would like to take this opportunity to submit the following comments for the committee's information and perusal on the management of the Murray Darling Basin and the development and the implementation of the Basin Plan. We would like to present the following comments in addressing the Terms of Reference of the committee.

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

Agriculture, food production and the environment have been coexisting in the South Australian river regions since before federation. Renmark boasts the first irrigation settlement in the nation and has had to contend with all the environmental, social and political implications that that legacy has imposed.

Peak salinity impact in the 70s and 80s saw a dramatic shift in water efficiency management techniques and the adoption of efficiency and salinity mitigating practices. Flow restrictions through Basin wide low inflow periods and the continual additional system allocation by all state governments has seen the South Australian Murray Irrigators rights and business security eroded. The lack of flushing flows to the South Australian portion of the lower Murray stem has seen a traditional salt inflow area struggle. Elevated peak flow events are needed to increase environmental connectivity to this regions floodplain and consequently increased water quality through salt and nutrient mobilization. This in turn allows irrigators, social and environmental users, from the Border to the Murray mouth, to access high standard river water regardless of their location.

The SDL figures for the SA Murray region is unfair and places overly burdensome water recovery expectations on the South Australian Murray Irrigator. It is counteractive to the endorsed message of sustainable farming and efficient management for the future. The immense burden placed on the South Australian Murray Irrigator to sacrifice their entitlements to support further urban population growth (CHN) is a national issue being unfairly shouldered by the South Australian Murray Irrigator and this needs to be looked at and more fairly distributed in the national interest.

Irrigators and dry land farmers alike in the South Australian river regions are country people who love the land and care for its well being. Irrigators have actively worked with community groups and governments to encourage a range of monitoring and land enhancement actions to better enhance the local environment in which they live. This should be recognised and encouraged.

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

The South Australian river regions are predominantly Agriculture based and their regional communities and economies are highly reliant on irrigation dependant industries such as horticulture. South Australian horticulture also has the highest $ return per ML of water used across the basin and this should be nurtured and encouraged in the national interest. There are limited locations throughout the basin where this is geographically possible and favorable.

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

The South Australian Murray Irrigator is being more severely impacted upon by the whole water reform process particularly as there are fewer margins for error in a finely tuned water management system. The Water for the Future funds are not accessible to SA Murray irrigators due to their historic management and yet we are expected to find further water savings. South Australia needs to share in the recovery volumes across the whole basin which is our Valley. State border management and accounting is hindering common sense management decisions, which is impacting on sustainable productivity and the viability of the Basin, but particularly the South Australian Murray Irrigator.

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.

Against any background this intention is scary to most regional people due to the unknown perceptions and intentions of policy makers. The line to manage in the public good is subjective in its interpretation and overarching management imposed on regional communities invades the freedom of Australian citizens. The trust required to blindly follow the "we know what's good for you" policy directions has failed, disempowered regional communities and eroded irrigator property rights and regional social stability. Transparency of motive needs to be explained. The science of the future needs to be validated and accepted by regional irrigation communities.

Having said that SAMI recognises that some areas will be more conducive to particular activities than others and policies should aim to capitalise on these circumstances. The process for implementing reconfiguration policies must be in consultation with the people that it directly and indirectly affects and if it doesn't have the support of the regional communities firstly and most directly affected then it should not go ahead regardless of overarching vested interests. Economic return should only bare 1/3rd weight in overarching policy decisions, particularly when it comes to the gross super profits that the mining industries entice governments with.

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;

Define efficient water use? Productivity per megalitre can be in current $ terms or future $ terms. The opportunity cost of the next best alternative use of the resource. Or wasted water irrigated past the plant root zone. Or should social fairness come first and empower people to be in control of their own destinies regardless of the current perceived optimisation of the resource.

How do you put a cost on the environment and the security of the resource?

The policies, rules and conditions affecting water access products needs to be spelled out and secured at river condition trigger points to facilitate fair and consistent trade in a known and even trading environment free from influence. This will facilitate optimisation of the resource use so long as social impacts are weighted appropriately.

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

This is something that the South Australian Murray Irrigator has been employing and refining since the salinity impacts of the '70s. This has culminated in South Australian Murray Irrigators fostering a sophisticated level of soil moisture monitoring technologies, scheduling options and pump & suction water delivery systems. There is a need for this to be emulated across the basin and the savings put towards our national assets irrespective of state boundaries.

g) the national implications of foreign ownership, including;
i) corporate and sovereign takeover of agriculture land and water, and;
ii) water speculators

It has been mentioned that all irrigators are water speculators.
Market rules should be set on an even playing field with known trigger point security.

Foreign ownership of our waters and land is concerning and risks undermining the social fabric of our towns and industries. Controlled caution should be displayed in this area. Lease arrangements as an alternative to selling should be explored to retain Australian sovereignty and ownership over its on-site natural resources like water.

This is not necessarily limited to foreigners. Super investments and Managed Investment Schemes gambling on farming for high speculative return has had irreversible detrimental effects on many regional communities and can squeeze out family farms thus losing generations of local land management knowledge.

It is however, recognised that many schemes are already in place throughout the Murray Darling Basin and regional communities have responded to the employment and opportunities that such operations bring to the permanent and casual workforce.

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

Recognising the policy and water management actions of State governments since the1970s will highlight where over-allocation has occurred and who have been the big winners and who have been the big losers under the water management policies of the past decades. Efficiency measures have been born out of necessity, and forward planning and efficient land management behavior should be recognised and rewarded.

An option to do this could be through retrospective regional payments for past innovative behavior by both state governments and private landholders and community groups. If such schemes were considered this should be in addition to the current funding commitments. Such a scheme could look to support regional communities through drought and flood mitigating community funds that act as an insurance fund to guard local communities from the extremes in climate scenarios into the future.

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

Options for water savings are many but the cost benefit analysis must be sold to governments and prioritised against a triple bottom line scenario not just a $ one. Dam covers, dam low flow bypass systems, wetland wetting and drying regimes and structures, lock re-design and upgrades, pump & suction conversion for major irrigation districts, storm water recycling, Salt Interception Scheme water recycling etc.

j) any other related matters

The South Australian Murray Irrigators licensed water product, previous to the drought and management imposed restrictions, was a highly secure water product. This was encouraged by historical agreements, legislation and policies and regional communities have grown around this assurance. During the drought, and now on the eve of a flood, we are calling for an even playing field water management regime. Section 51 of the constitution allows for the commonwealth to dictate the terms of this and should use their powers to do this and allow farm gate businesses to go on farming in a known, stable and fair water trade environment with consistent rules and products across state borders.

Below is a frequently asked question from the current round of Southern Basin Water Tender. SAMI does not agree with the intention by the government that is expressed in the answer to this question and would like to request that the matter be given further thought. Retiring and 'ripping-up' water and assisting irrigation industry reliant communities (All SAs river communities)

'Q13: Will entitlements purchased by the Australian Government be ripped up or retired?
A: No, entitlements acquired by the Australian Government for the environment will be managed by the Commonwealth Environmental Water Holder to protect and restore water-dependent environmental assets. Ripping up or retiring acquired entitlements would only boost the water available for the remaining entitlement holders. Entitlements purchased by the Australian Government will retain their original characteristics and the Commonwealth Environmental Water Holder will be liable for all future headworks and delivery charges'.

Some level of water input security and reliability is needed to sustain business into the future. Particularly as water use efficiency levels increase and become more precise. Regions where permanent crops can be grown efficiently and sustainably have less margin for error. Water volumes and its reliability needs to be known 5-10 years out before significant capital infrastructure will be committed to. The South Australian river regions have made these decisions based on historic water policies. This integrity is being eroded and needs to be restored. It is on this basis that SAMI believes a portion of entitlements purchased by the government do, most definitely, need to be ripped up as this cuts to the core of allocation certainty for businesses and the environment. There should be a boost in the reliability of water for remaining entitlement holders. This provides integrity in the system.

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