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## **Wumbulgal Agriculture Pty Ltd**

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## **Introduction**

This is an informal submission on the proposed Draft Riverina and Murray Regional Plan.

Wumbulgal Agriculture is based in the Murrumbidgee Irrigation Area. We are dry land and irrigation farmers growing rice, maize, cotton, winter cereals, corn, beef cattle and sheep.

We have been farming here since 1949 when James Dalton, my father in law produced his first rice crop. We have developed our farm using world's best practices and are an efficient operating farm. We have dedicated 3 generations of work to create a farm that we can be proud of. We need our community to support our enterprises which provide the skills and knowledge to keep innovating so that we continue to produce high quality cheap food.

We also value our health and education facilities and the Draft Riverina Murray Regional Plan should underpin our development and provide the confidence for both Government agencies and the community to provide services that allow us to grow and prosper.

We cannot be complacent about the need for a planned approach and we need to take control of our destiny. We do however have considerable road blocks.

We have regulations that are not fit for purpose in a competitive world and state government departments who work in isolation from one another. This is the case for productive and environmental water.

The State government has a huge role in wealth creation and has the power to control key inputs into growth. This cannot be ignored.

## **Environmental Water**

DPI Water and OEH have significant parcels of water. The Water Sharing Plans (WSP) underpins the water priority across the state and in each valley. They were developed in 2004 with a review in ten years. That time has passed with the WSPs being rolled over rather than reviewed.

All the rules based environmental watering in the Water Sharing Plans is outdated and causing completely unnecessary wastage at the expense of NSW irrigators, particularly General Security (GS) irrigators and their wider communities. The NSW govt along with the Federal govt now has licensed water that they purchased and can manage specifically for good environmental outcomes.

The only truly measureable outcome from the 'rules based environmental watering' which has emerged from the floods is that the NSW Govt is missing out on productive capacity. NSW's purpose built irrigation communities are unable to maximize their contribution to the State. The recent releases were a classic example.

All of the NSW rules based water that was "acquired" and not purchased, can only be covered by deliberately impeding the timely announcements of GS allocations or by reinterpreting Inter Valley Transfer, Carry Over and trade rules.

Water was taken from GS and High Security irrigators (Known as Voluntary Contributions) at the rate of 15% and 5% respectively in the Murrumbidgee Valley and rolled into the water sharing plan in 2004. This water has now been re-classified and given top priority in the WSPs. It is now time for the State Govt to return this water to irrigators. Irrigators still pay the fees and charges on this water. Please see a letter which was sent to Sarah Dinning regarding voluntary contributions.

Our storage and regulatory systems were designed to conserve water in the wetter seasons so that this valuable resource could be wisely managed in our highly variable systems. OEH and the MDBA want to put stored water resources on top of floods or 'freshies'. Or simply, they want to use the system for the exact opposite reason than its intended purpose.

While there is some historical rationale behind the 'over allocation' argument, the measures put in place in the 2004 NSW WSP's and the MDBP are ignoring the

historical reasons for that 'over allocation'. The issue in NSW is the then State Govt did not sensibly deal with 'sleeper licences' when the NSW State Govt was forced by the Federal Govt to separate water from land. Hoarding water unnecessarily using the broad justification of maintaining river health and then having the ability to reinterpret and readjust is a classic example of 100% risk averse behaviour and the management, managing the system for the benefit of the management. There is much that needs to be untangled and unpicked by making it pass the 'common sense' or, the 'reality' test. As a simple recent example, DPI Water gifted OEH a further 50,000ML in the Murrumbidgee Environmental Water Account 1 (EWA1) in March 2016 by averaging the carry over figure and adding it on to the announced GS allocation and claiming that GS allocations had therefore reached 60% triggering that 50GL when they were only at 37%. If you look up the rules for this one you will notice they say absolutely nothing about carry over. In March, producers are starting to look for water to purchase to finish off their summer crops or to water pastures or pre water winter crops and perversely, OEH has the ability to sell water to 'cover costs'. There are several examples of OEH desperately trying to dump water in places before the end of the watering year, that have nothing whatsoever to do with 'river health' in April 2016 with the justification of 'seeing what might happen' (direct quote from OEH officer James Maguire). You may understand how frustrated this makes people like us who are metered and regulated to distraction and have to demonstrate outcomes for every single drop of water we use!

## **Lost Opportunities**

The number of lost opportunities for our State and our country is becoming concerning. All the political rhetoric about 'no longer the mining boom it's the dining boom' desperately needs to be backed up by sensible, relevant policy. There are plenty of good things happening in our industry, particularly via a lot of the value add production that occurs in our vibrant region, but unfortunately, hardly any of it is because of good policies at State level. We're eons ahead of our Natural Resource Management (NRM) and Ag Depts and we are being held back by them. The 'status quo' is overwhelmingly 'protectionist' and totally inwardly

focused. The water trade rules and regulations are being formulated via that 'protectionist' attitude and the results at a community level are simply not good. To keep it simple, many farming business spent thousands of dollars last season on temporary water. It paid enough because commodity prices were good, but if we didn't have to fork out that sort of money we would of course have been able to spend it on directly growing our business, retiring debt and also in our local community.

Sadly far too many good people are finding dealing with the status quo is just too risky for them. If they don't have much debt to service, they are choosing to opt out and just sell their meagre early allocations. The lost opportunities for our whole community are not good. On the other hand, we have people who are deciding to just 'play the game', which exposes them to very high risk and puts them in direct competition with their neighbours, their families and other commodity interests. The lost opportunities for our whole community are just as worrying. One of our major strengths is our diversity. Water policy and the mantra around water trade rules sees govt entities claiming they can pick winners or can quantify 'highest value' use. This is totally unacceptable.

What the State Government could do is work towards timely and sensible allocations so that their extraordinarily talented customers/ producers and the associated value add industries can get on with doing what they do best.

### **Lack of Governance and Accountability**

There is the extraordinary lack of governance, transparency and accountability at the regulatory level. We would desperately like to see transparency and accountability operate from practical concerns not political rhetoric in Natural Resource Management (NRM) and AG. Unfortunately, NRM and Agriculture are not working together as well as in other industries like transport, mining and building. At the regulatory level the government is biting the hands that feed, clothe and shelter us.

### **Cost Recovery**

We are being subjected double standards of the bureaucratic concept of 'cost recovery' which does not take in to account that they are servicing a delivery system that is designed to deliver a product to the paying customer.

### **Buyback**

In your draft plan page 26 of the draft plan under the heading for "Water for the Future" a claim is made that \$3.1 billion will be invested in the Restoring the Balance in the Murray Darling Basin Program". It is extremely concerning that this is in your plan. A proper explanation is needed to determine the accountability of water and funds that are allocated to this.

### **Decommissioning of the Dams**

Burrinjuck and Blowering Dams were planned and built by past governments to provide water which was to be used to generate hydro- electricity and to be used to secure food and fibre production for this nation. South western NSW was considered a climatically stable, geographically isolated and safe area for reliable food production for a growing nation. Australia is still growing in population as is the world and we have the opportunity to continue food production if governments don't interfere.

The MIA is a gravity fed system thus leaving a minimal carbon footprint, the envy of other world irrigation systems. Many poor government policies are in essence decommissioning those dams from productive use to environmental water with no consideration for generations of toil and investment. If the government doesn't back our farmers than beware of the consequences as cheap, high quality food may not be available from Australia for Australians.

We are continually calling for the Government to help effort to minimize constraints (Blowering Dam can only release 9000 ml per day) and build more dams. We also need surge dams for flood mitigation. Please see attachments

### **Concurrence**

Working to change rules and regulations often requires concurrence between the different state Government departments. This is the case for OEH and DPI and in some cases the Murray Darling Basin Authority. If departments are working in isolation and not for the benefit of regional rural communities it then becomes impossible to make sensible change and to adhere to the principle of adaptive management.

## **Infrastructure**

Very little state infrastructure goes back to our area. Less than half of one percent is injected into our region. Given the amount of wealth created here it is an extremely poor result.

Our area is demanding infrastructure that reduces the cost of freight and the cost of inputs transported back to the region. This might include improved road train routes and train services such as north south train, bridges, cargo planes which might include improved airport facilities that will take us into the next decade.

## **Loss of Skilled Farmers**

The loss of certain agricultural enterprises and the resulting food processing will result in the erosion of our farmer's skill base. Generations of farming knowledge will be lost as people exit their industries. Young people are reluctant to enter the agricultural sector with the uncertainties which are created through poor government policy with no long term vision. The parents of prospective young farmers are advising them to not enter the industry as they will only experience hardship from poor government policy.

## **Drought Years**

Recently we have seen extensive flooding in the Riverina region. This has nothing to do with climate change and everything to do with the natural climatic variability. The Government agencies have little understanding of our Australian environment. We need more long term, objective studies which are peer reviewed and credible.

## **Conclusion**

This extremely brief submission and further discussions need to be had. I will add articles written by myself and Debra Buller which have been published in the Area News over time.

Every policy made by state government departments and the federal government should be made carefully to take into account the impact on regional communities and should be designed and formulated to support regional rural populations with minimum disruption.

To conclude governments have a key role in enabling our region to grow and create wealth. No longer does a one size fits all approach is appropriate. Political rhetoric needs to be put aside and state government departments need to work together rather than empire building and protecting their jobs. Plans must be strategic that facilitates and enables the farming sector and the wider communities that support it to succeed and prosper.

Please see all attachments included in this submission.

Helen Dalton

