

**RESPONSE FROM AG INSTITUTE AUSTRALIA**  
**ON THE**  
**DRAFT MURRAY-DARLING BASIN PLAN.**

**1. Introduction**

The Ag Institute Australia (AIA), the trading arm of the Australian Institute of Agricultural Science and Technology (AIAST), is pleased to have the opportunity to respond to the Draft Basin Plan.

The AIA is the peak body in Australia representing the professions of agricultural science and natural resource management. It has over 1000 members including scientists, advisers, policy managers, consultants, agribusiness and farmers. The majority of our members live and work in rural communities.

AIA provides strong, independent, balanced and factually based representation and advocacy on a wide range of issues affecting the profession and agriculture generally. In recent times these have included agricultural education, rural communication, farmer response to greenhouse gas policy, and rural research, development and extension (RD&E), as well as MDB Policy.

Our main submission will be in response to the Draft Basin Plan itself but we wish to make a number of points which we trust will assist in the Committee providing advice to government.

**2. The Communication/Engagement Process.**

There are still serious issues with the release/communication process.

It seems that with the best will and skills to debate and consult, there has been little shift at all levels from fixed positions. The recent floods have taken the heat out of the issue and caused people to wonder if there is really a problem in the Basin or are we just seeing nature at work? The statements of individuals, with what many believe are scaremonger or extreme positions, reduce the credibility of the debate and do little to help the cause.

The credibility of the Authority and its staff has been seriously compromised to the point that is finding it almost impossible to lead rational debate. How the formal and the political processes are brought together in a way which is understood and accepted by the key stakeholders is the real challenge. It always has been a challenge and the public reaction so far suggests that the Draft Basin Plan fails to hit the spot. The events of the past 18 months have highlighted the need for a balanced approach based on, an appreciation with the stakeholders and, the development of a win –win Plan rather than the win-lose perception we



seem to have at present. It is not even clear, to the various stakeholders, what the short/long term benefits of the current approach are.

The outgoing MDBA chair recently made the comment:

*“...a successful plan would require both Commonwealth and States to work together on a comprehensive range of policy, planning and implementation issues in consultation with relevant community, industry and environmental groups. While the Authority has an important part to play, it is neither empowered nor equipped to undertake the entire complex task.”*

- Mike Taylor, outgoing chair of the MDBA

### **So getting the process right from here on is of prime importance.**

AIA suggests that this requires the following steps elements:

#### **2.1 The Water Act**

- An appreciation that The *Water Act 2007* does not deliver a triple bottom line outcome as promised by the National Water Initiative and should be amended. Failure to amend the Act could result in legal challenges against any final plan. Recent legal findings seem to support this notion.
- A resolution by the Government on what the Act needs to achieve and the communication of this to the key stakeholders and the public. As it stands it seems that even the Authority and Government are at cross purposes, despite what the MDBA Chair and the Minister say. This is confirmed by the recent statement by Minister Burke that he would change the Plan if he thought it were a “dud”.

#### **2.2 Independent Advice and Approach**

- There needs to be a circuit breaker and a revised approach with the formation of a group of experienced and non aligned people who would advise the Authority and Government on a process of engagement, communication and draft policy development from here on. This may include engagement with government(s) and interest groups where necessary. This group could and should provide the leadership (and statesmanship) required to address the current situation. It does not necessarily need formal power to do so – just a sense of objectivity, engagement and “guts”.

*It is in the process of a revised approach to policy development and communication that the AIA can best contribute, including possible involvement in the advisory group.*

- Engagement of an appropriate consultancy who are expert in the communication area to work with the advisory group, the Authority and Governments, rather than leave it to “spin” and pseudo consultation through public meetings.

#### **2.3 Rethink the Engagement Strategy**

- Having had “two attempts” MDBA needs to rethink the whole engagement strategy. There are obviously parts of the Plan which cannot be defended technically or even legally. Further debate on the current Draft Plan will continue to fuel ill-informed comment and increase even further the risk of further Government intervention based on expediency rather than fact (recent statements by the Minister are proof enough of that). Having attended two meetings on the Draft Plan, it is clear that this can hardly be regarded as effective, well informed consultation but rather an opportunity for

further breast beating. Unfortunately such meetings are often seen as a political exercise which is unlikely to have an effective impact on the overall outcome.

- Identification of key stakeholder groups at national and regional level and their being informed on and engaged in developing meaningful, balanced policies to achieve agreed outcomes. Without this ground level support, we will see a continuation of the ill informed, politicised discussion. Because of the process, these stakeholder groups have become part of the problem – they must become part of the solution. This was the case with the previous communication and we sense it remains.

There is a desperate need for the grass roots stakeholders to understand. Therefore they need to be involved early, and not just as recipients of a carefully honed report developed ‘on high’. This does not seem to be the case but rather we have seen more policy development without adequately consulting and then trying to defend the document. Adequate consultation is about far more than public meetings. These have ended up with the same old anger as before and have cemented peoples’ positions.

Rational debate is difficult at the National level as politicians, the environmentalists and the industry groups all have their own agendas.

At the local level the boundaries between these groups are not so entrenched, they have a mutual interest in achieving a solution and are used to working together – and they understand the economic/environmental/social drivers and constraints.

- The real need is to involve the communities at a local level in joint discussion between the protagonists of the issues with a remit to develop an agreed plan for their locality/district/region. It may be slower than some would like but we are talking of winding back almost 100 years of mismanagement and non-engagement. As it is there does not seem to be a lot of progress but rather a hardening of positions. It would be expensive but not as expensive as doing the wrong thing or doing nothing. It would require leadership and facilitation and a clear requirement to reach consensus – continued division is not an option.
- At the end of the day it will be the people who determine the success of any plan, not bureaucrats or politicians. So why not start some meaningful grass roots consultation now
- A clear program of communication is required, specifically targeted at sectors and regions and based on simple messages.
- What we do suggest is that the MDBA clearly target the issues in contention and need to be explored, and do so with local communities as above. This will require a short issues paper on which to base discussion and expert, independent facilitators to lead the process. The MDBA is no longer the suitable body to do this facilitation.

### **3. Some Additional Issues of Importance.**

#### **3.1 The cost of “doing nothing”**

Whilst most people would agree that action on the Basin is necessary, the impacts on the environment, industry, communities and the economy of doing nothing have not been clearly articulated to the community, although we appreciate that the impacts are addressed in the Plan, albeit from a limited data base. This leaves the Plan open to emotional, self-interested statements of dire outcomes (often with pictures to suit) leading to biased judgements at all levels. Where is the clear statement of “this is what happens if we do nothing”? The process to date has not engendered an appreciation by the community of the overall science.

### **3.2 Socio-economic factors**

Regardless of what the Act requires, the outcomes of the MDBA work were always going to be implemented by people, who themselves are driven by socio-economic imperatives, which in turn drive the political decisions. With the restructuring of the MBD management in the 1980's, greater attention was given to integrating land, water and the environment including agricultural factors. The same cannot be said for socio-economic issues on which there appears to have been little previous research. This is not because the management didn't recognise the need, but because it is a difficult area in which there are limited skills and published information. The MDBA has sought to address this with a regional program of visits and some commissioned Basin-wide studies but the extent of these seems to have been inadequate or at least not appreciated by the press and the community. This is a deficiency which now must be further addressed as a matter of urgency. Policies which are developed by government without having an understanding of the work thus far undertaken and the full extent of impacts on people and regions will be hijacked and at risk of not being adopted. Even if a Plan is put in place, it is unlikely to be effectively implemented without community recognition for its need and commitment to getting the job done. This research could be an integral part of the community group approach outlined above.

### **3.3 Irrigation infrastructure and on-farm use**

We question whether the benefit/costs of both off and on farm irrigation infrastructure and their potential to save water and improve water use efficiency have been adequately researched and considered. Surely this should be an important component of any program. This would also provide a basis for giving "credit" to those industries, regions and individuals who had already made substantial investments to improve the efficiency of water delivery and on-farm use. It is clear that South Australia has performed far better than other States in this regard and this should be recognised. Any Plan needs to reward "good" water use practices of the past.

The issue of further investment (especially public) in improved irrigation efficiency on farms and in water supply systems is a double edged sword. There is no question that further improvements in water use efficiency are achievable. Apart from the issue of reduction of return flows, such investment is worthwhile if driven by market realities. However, it may be a very expensive way to secure environmental water (assuming that the water saved is quarantined for this purpose) and runs the danger of producing gold plated redundant assets in the future. Whilst there is overall support for works which minimise water delivery losses and improve water use efficiency on farms, government support should be based on a careful consideration of overall regional, industry and environmental benefits. The potential for "horse trading" between governments needs to be recognised, and avoided.

### **3.4 Research, Development and Extension**

The Inquiry should not underestimate the improvements in irrigation technology and their contribution to productivity and river health over the past 25 years in particular.

The future prosperity of the basin and the system itself will depend largely on continuous improvement being made in technology, its validation at a local level, and its adoption by farmers.

AIA is concerned that the research, development and extension capacity in irrigation industries has seriously diminished in recent years.

This takes two forms:

- A shortage of graduates in agriculture overall, but particularly in irrigation and horticulture. Because of the issues with irrigation allocations, it is almost as if these are seen by many as sunset industries and don't attract people to them. The end result is that training capacity is in a parlous state.
- A lack of investment by governments and industry. In fact the capacity is being wound back as is evidenced by the closure in recent years of major facilities by CSIRO at Merbein in Vic, and by Vic and NSW Departments of Agriculture. Similarly facilities at Loxton in SA, once the national leader in irrigation and horticultural technologies are now all but closed. Irrigation is a "generic" issue which applies to all industries and tends to be under resourced by most industry research funds and the private sector. It is appalling that it is not even recognised as a core R,D&E area in the strategies of the Primary Industries Standing Committee.

There is clearly "market failure" in irrigation R, D &E investment, which if not urgently addressed by governments will impact on the future of the basin, those dependent on it, and the nation's capacity to meet its food security goals.. It is certainly an area which this Basin Plan can and should highlight, and from which investment would bring early and substantial gains.

*AIA is able to provide further information on the need for and returns from greater investment in irrigation and irrigated industries if required.*

### **3.5 Rural Adjustment**

That the Draft Plan required a cogent program of adjustment is obvious to most with a first-hand experience of the industries and regions. But it doesn't have one. There is a need to consider interdependent policies and their implementation in terms of an overall process of adjustment in which the opportunities and needs of all sectors and stakeholders are taken into account. These needs must be targeted to achieve defined outcomes in defined areas, defined industries and defined end users, and include the opportunities for economic growth and diversification within regional communities and industries. Again it is part of the community group approach outlined above

It may not require government financial intervention as has often occurred in the past with rural adjustment schemes. It will require further research and recognition of opportunities to adjust in regions and industries. It may be done on a catchment basis. For example, regions with poorer soil types or inefficient infrastructure and plantings may present scope and opportunity for change. Similarly, industries with long term potential over-supply (such as grapes) or being based on low-value water uses such as irrigated pasture might need to be considered for adjustment. We would certainly urge a balance of technical and socio-economic factors, rather than just target some industries such as rice and cotton which seem to be the "bad boys" in the public perception. An integrated program, fully researched, properly negotiated with the stakeholders and involving all levels of government should be developed.

*This is an area where the AIA can certainly make a valuable contribution. Many of our members live and work in rural communities and have had years of involvement with structural adjustment both in policy development and program management on the ground.*

**3.6 The role of government in adjustment.** The big issue is what opportunities exist for governments to *facilitate and expedite autonomous* change.

When adjustment is *impeded*, the most significant adverse impacts are often on the capacity of the most talented and able in a district or an industry to innovate. It often keeps farmers remain in farming who would otherwise move out of it and take the opportunities provided to retrain for a new career - which often leads not only to greater productive efficiency but to associated benefits to the management of the natural resource.

Adverse impacts on people and on the environment are most effectively managed using separate policy processes and instruments. History suggests that most attempts to impede autonomous adjustment backfire on people, regions, resource productivity, industries and the national economy. There is frequent confusion between social welfare and adjustment. Social welfare issues should be handled separately outside the rural adjustment policy.

**3.7 Environmental Water (E-water).** There is obviously substantial support for greater allocations for the environment. Whilst AIA supports this in principle it raises a number of issues:

- How the E-water Holder will allocate water amongst various environmental uses is unclear. There is a risk of the politics within the environment “industry”, being no less complex than elsewhere, having an impact on decision-making.
- How will effectiveness of the E-water Holder be measured? There is the need for government and implicitly community acceptance of an Environmental Water Plan with clear and objective measurable outcomes with regular reporting against those expectations. The desirable environmental flow regime may well diverge significantly from the reliability profile of entitlements. The E-water Holder may have to trade or carry over allocations which may influence the reliability of consumptive use entitlements.
- The E-water Holder and consumptive use sectors such as agriculture will be expected to manage the resource effectively, and the interaction between the needs of those sectors needs further modelling, and much negotiation.
- The boundary between consumption water and E-water will in fact be flexible with carry forward and counter-cyclical trading of allocations.
- Have opportunities to obtain water other than purchasing entitlements been fully explored? Savings through improved water delivery and use efficiency come to mind.
- What opportunities are there for investment in environmental management infrastructure to improve the efficiency of use of E-water, and even reduce the volumes needs to achieve the desired outcomes. One should expect sectors such as agriculture to use water efficiently without the same requirement being placed on environmental managers. Little has been said about how this will be done or by whom.
- What other associated “non water” investments are required to improve the environment. We need to avoid the “just add water” mentality but look at

the bigger picture, including current and potential future programs and investments. Environmental works and projects developed largely by State Governments or local authorities and supported by the Commonwealth and the MDBA must form part of any final plans.

The AIA would like the opportunity to discuss these points with the MDBA at its convenience.

A handwritten signature in black ink, appearing to read "Mike Stephens". The signature is fluid and cursive, with the first name "Mike" and last name "Stephens" clearly distinguishable.

Mike Stephens  
National President AIA