

The NSW Farmers' Association (the 'Association') is committed to working with Government on water reforms that embrace triple bottom line sustainability principles. However, the Association is greatly concerned that the Murray Darling Basin Authority's approach to developing the Murray Darling Basin Plan clearly does not embrace these principles.

The Association believes that the current planning process is fundamentally flawed. A sustainable outcome for the Basin demands:

- **A collaborative planning process that engages local expertise and the farm sector at valley scale in a process of optimising water allocation;**
- **Explicit management of the social and economic impacts of any reductions of water available for agricultural production, or the security of that water.**
- **Integration of engineering works, specific watering strategies and land management practices in setting the Basin's environmental water requirements to ensure efficient and effective use of environmental water**
- **Consideration of tradeoffs between different environmental outcomes, and between environmental and communities' needs. Rivers are no longer pristine or natural, they are managed systems.**

If the current legislation does not require the MDBA to plan in this way, then the legislation must be changed.

We agree that water planning within the Basin must be improved. However, the new Basin Plan must be developed collaboratively with the farming communities that depend on this water for their livelihoods. This process must include careful consideration of the economic consequences to Australia of crippling the production capacity of our most important and productive agricultural system.

The current planning methodology involves determining how much water is required for the environment and then allocating what remains between the other water users in the Basin. This process bypasses the cost benefit analysis necessary to optimise triple bottom line outcomes; only one third of the picture is visible. An informed discussion about how much water should be allocated to different environmental needs in the Basin cannot be had without a clear understanding of social and economic consequences of removing this water from its current uses.

The basin planning process is coinciding with the worst drought in recorded history and on the basis of scientific modelling regarding future water inflows that is subject to low statistical confidence levels. All parties acknowledge that predictive science is uncertain, but whilst a precautionary approach is being taken with regard to the environmental values in the Basin the same cannot be said for social and economic values.

The current planning regime risks over-regulating environmental water to produce outcomes that do not reflect the natural environmental characteristics of the Basin; a system well adapted to long periods of dryness. Far less flexibility exists for irrigation businesses that have been founded on the basis of a secure share of regulated water supply. While environmental systems in the Basin may rebound quickly following extended dry periods, rural and regional communities once dislocated will take generations to recover or may result in a population shift to larger regional centres, coastal areas or capital cities.

Maintaining the capacity of the Basin to secure Australia's food requirements while meeting the needs of increasingly valuable food export markets must surely be a national priority. In 2005-06, 39% of the gross value of Australia's agricultural production came from the Basin with a value of \$38.5 billion (ABARE, 2008).

The consequences of the current Basin planning process on national food security are dire. It is not the individual farmer who is using the water, but it is those 600 people who are being fed by that farmer's production. The Australian community needs to understand that policy decisions that reduce the availability of water resources affect not just the farmer, but also the 600 people who rely on that farmer for their food.

We call on all Australians to reflect on the economic and social consequence of the Basin Plan. All due care must be taken to ensure that our farming communities and Australia's food security are not sacrificed for the sake of fulfilling political agendas: there is simply too much at stake to get this wrong.

Please see the Association's briefing note on the Basin Plan (available at www.nswfarmers.org.au) for further information.