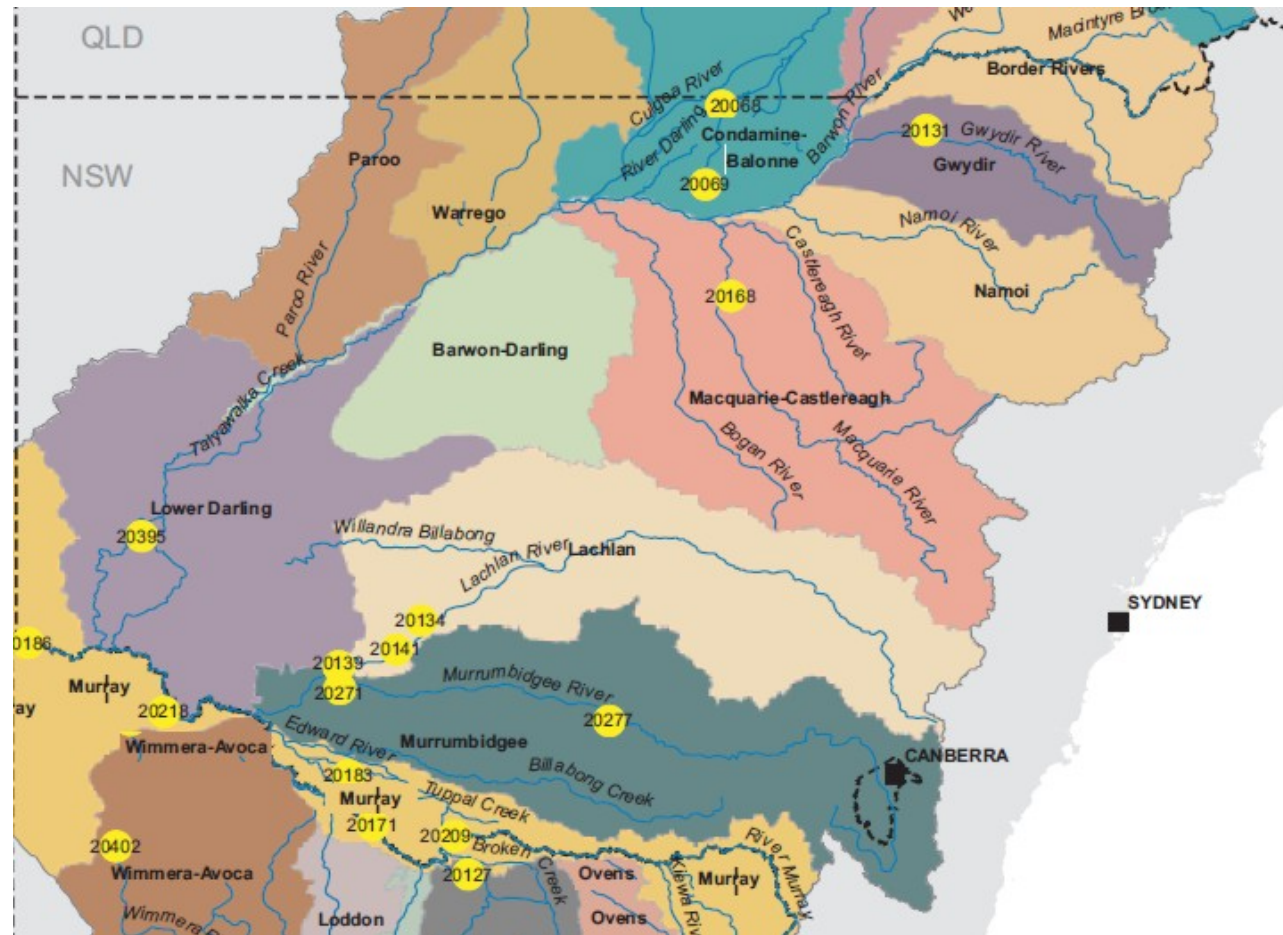


EMBARGOED UNTIL 5AM, 5 OCTOBER 2010

# NSW Farmers' Association

## Murray Darling Basin Plan Survey Key Findings

### 5 October 2010



## Contents

Key Findings Across the Basin.....	3
Valleys in Profile- Murrumbidgee.....	6
Case Study: Ward Family, Murrumbidgee Valley .....	8
Valleys in Profile- Murray .....	9
Case Study: Moar Family, Murray Valley.....	11
Case Study: Holm Family, Murray Valley.....	12
Valleys in Profile - Namoi.....	13
Case Study: Hamblin Family, Namoi Valley .....	15
Valleys in Profile- Gwydir.....	16
Case Study: Boydell Family, Gwydir Valley .....	18
Valleys in Profile- Macquarie Castlereagh.....	19
Valleys in Profile- Lachlan .....	21
Survey Methodology .....	23
NSWFA Murray Darling Basin Plan Position Statement .....	24

## KEY FINDINGS ACROSS THE BASIN

### SOCIO-ECONOMIC OUTCOMES

- The delay in releasing the Draft Plan coupled with an expectation of significant cuts to water entitlements is causing deep anxiety in irrigation dependent towns and regions.
- A constant theme in comments from respondents is that the current planning process lacks balance and is excluding the people with most at stake. They believe the Murray Darling Basin Authority (MDBA) is not interested in the needs of affected communities or the production values of water and is focussed exclusively on delivering environmental outcomes. Comments from survey respondents and contact details for case studies are provided in the report.
- For example, local communities have not been consulted by the MDBA about how to manage the social and economic impacts of the Plan, and how to maximise the production value of water.
- While the MBDA did conduct a survey of Basin communities earlier this year, only 12% of respondents to the NSW Farmers' Association survey reported that they had been asked to participate in the MDBA survey. Worryingly, those who did reported that survey questions were biased and that their input was a waste of time (39%); with only 8% reporting that the MDBA survey covered the issue well and that their comments would become a valuable part of the Basin Planning process.
- The overwhelming majority of respondents expressed concern about the likely social and economic impacts of the Plan:
  - **74% responded that there would be reduced viability of irrigation infrastructure;**
  - **72% of respondents indicated farm families would leave the district, reducing income for town businesses;** and
  - **66% responded that their town would be dramatically affected, risking the future viability of businesses and the town.**
- A massive **59% of respondents' families have been farming in their local region for more than 60 years**, with 30% of respondents farming for four generations or more. The impacts reported throughout the survey will therefore affect multiple generations, meaning that generations of history could be lost.

- Only 7% of respondents felt that the Plan would not impact on their district; and 11% in the case of their town.
- At this point in the planning process, there has been no attempt by the MDBA to systematically document the views and knowledge of irrigation communities as an input to the Plan.

### THE FUTURE

- **76% of respondents are worried about their farm debt to equity ratio** should further reductions in water entitlements be implemented.
- Worryingly, **38% of respondents said that they would exit agriculture** altogether if the Basin Plan fails to deliver the water necessary to continue farming under their current system. More than **52% of these farmers have been farming for three generations or more**. This indicates the depth of social disruption that could occur to irrigation towns/regions.
- Another troubling finding in response to the same question is that **31% of respondents would cut back on staff numbers**, which has long-term ramifications both within and beyond the Basin.

### WATER FOR PRODUCTION

- **75% of respondents indicated that they had already seen a reduction in their entitlement** as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps, with 27% of respondents having already experienced cuts to their entitlements of more than 50%.

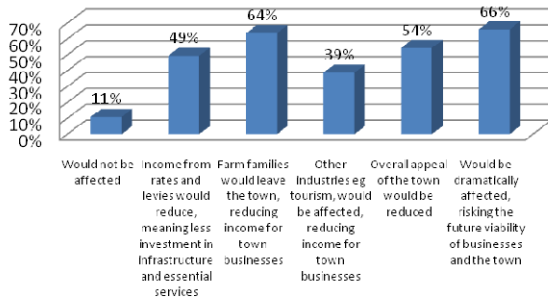
### WATER FOR ENVIRONMENT

- A massive **94% of respondents had not been consulted by the MDBA about priority environmental assets in their region**, suggesting that the Authority is not using local knowledge in establishing environmental priorities.
- Awareness of key concepts used by the MDBA in the planning process is relatively low, with only 54% of respondents citing that they know what a Sustainable Diversion Limit is.

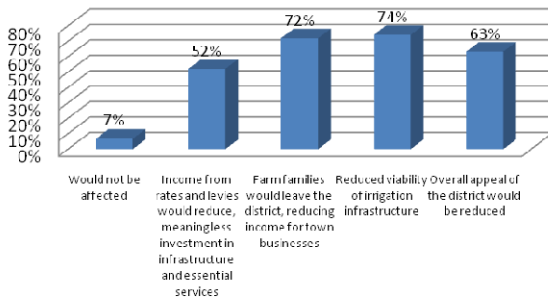
## KEY FINDINGS ACROSS THE BASIN

### SOCIO-ECONOMIC OUTCOMES

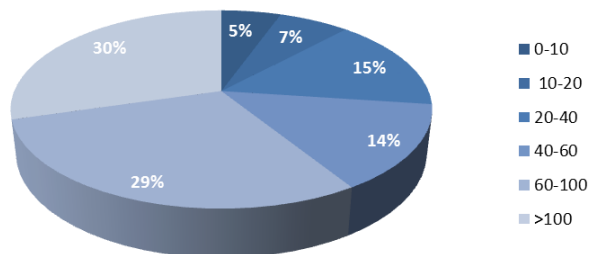
If the Basin Plan resulted in significant cuts to water entitlements, how do you think your town would be affected?



If the Basin Plan resulted in significant cuts to water entitlements, how do you think your district would be affected?

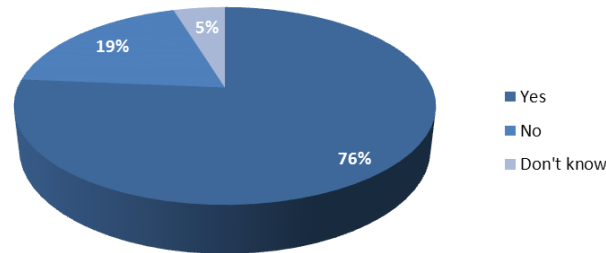


Including earlier generations, approximately how many years has your family been farming in your local region?

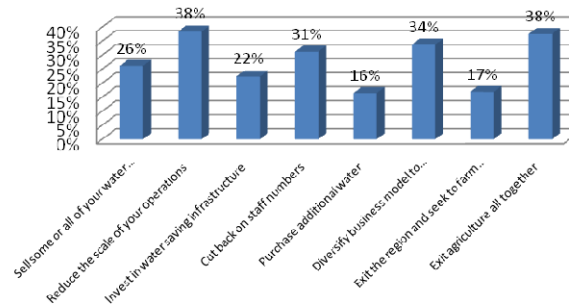


### THE FUTURE

Are you concerned about your farm debt to equity ratio, should reductions in entitlements be implemented?

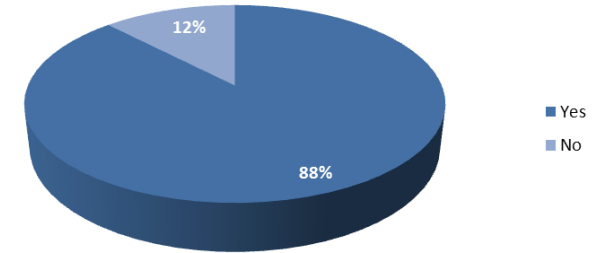


If the Basin Plan fails to deliver the water necessary to continue farming under your current system, what will you do?

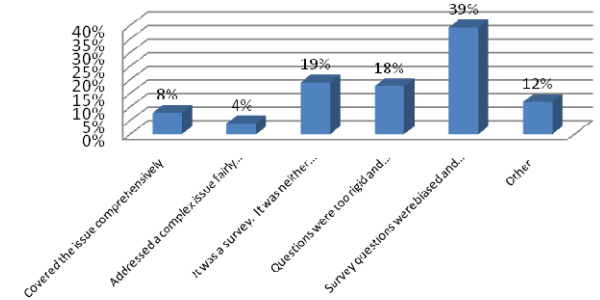


### BASIN PLANNING PROCESS

Were you aware of the Basin Plan or the Basin planning process before completing this survey?

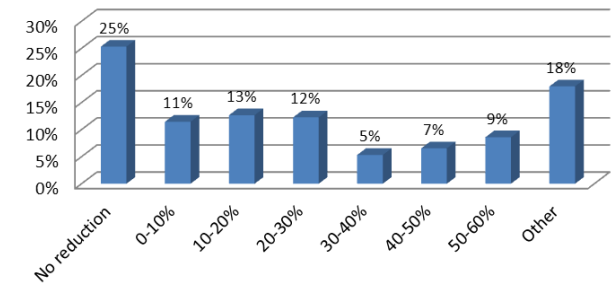


Please provide feedback about how appropriate the MDBA's survey was (conducted by consultants in March/April 2010).



### WATER FOR PRODUCTION

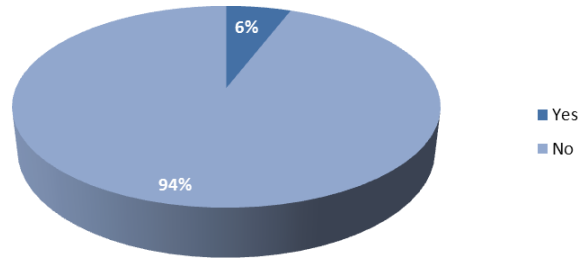
In percentage terms, how much has your entitlement been reduced as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps?



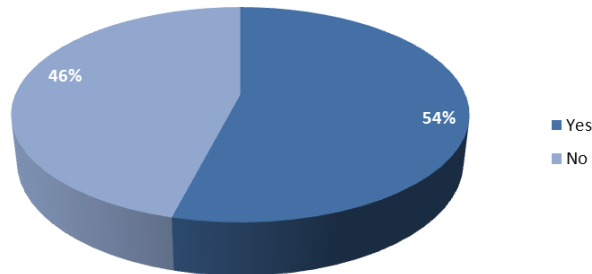
COMMENTS FROM ACROSS THE BASIN

In your own words, what is your single biggest concern about the Basin Plan or the Basin planning process?

Have you been consulted by the Murray Darling Basin Authority or Government about priority environmental assets in your region?



Do you know what a Sustainable Diversion Limit is?



Murray Valley

- ☞ *“My main concern is the loss of income and the destruction of the family unit if this occurs. As they say it takes a village to raise a family and these villages will become decimated.” (Berrigan)*
- ☞ *“Our community is constantly being undermined by Govt. Policy, be it the Basin Plan, water buybacks in general or State Forests/Pastoral Stations being turned into National parks. The Southern Riverina is being hung out to dry. To be quite frank it’s like watching an old friend die. Who would invest in this area when the future is so uncertain?” (Moulamein)*

Murrumbidgee Valley

- ☞ *“There is no way we can survive and keep producing wool, beef and lamb to feed our country without water.” (Queanbeyan)*
- ☞ *“Our very existence is threatened. Our livelihoods will be destroyed. Our town will implode. Our district will be decimated.” (Griffith)*
- ☞ *“The uncertainty has taken its toll, especially when you combine it with the prolonged drought. Farmers already gamble every year on yields, prices and weather events and this will add another unnecessary worry for farmers to have. I know of many young farmers (ie. 25-40 yr olds) who have recently left or are in the process of leaving. The knowledge and efficiencies that these young people possess will be lost forever from the industry. (Griffith)*

Lower Darling Valley

- ☞ *“More balance in decision making. People in the Basin should be the decision makers, not outside bureaucracy.” (Oxley)*

Macquarie-Castlereagh Valley

- ☞ *“Communities will decline even further and become unviable. The rural community has had enough setbacks with nature, without the government destroying our industry.” (Gulargambone)*

Namoi Valley

- ☞ *“Concerned that communities will reach a tipping point where they will no longer be able to survive and services (eg health, schools, infrastructure, employment) etc will decline to a level where the town will not be able to survive.” (Gunnedah)*
- ☞ *“The unknown factor every year is my biggest concern. Not only are we working with the uncertainties of nature, but also government regulation that is changing, so it is hard to develop a plan for the future. The only option seems to be moving to another area, but selling in this market of unknown water allocation is impossible. So planning for the future is the biggest concern. Not being able to pay interest is an ever present stress.” (Wee Waa)*

Lachlan Valley

- ☞ *“The decisions made by Government don't affect them but can devastate us! There is no concept of certainty and as such I am not happy to invest anymore. The 'rules' keep changing.” (Condobolin)*

Warrego Valley

- ☞ *“These people have too much power over other people’s lives, jobs and property rights. They do not produce a social and economic plan that should make the Basin viable. It makes me sad to see the end results of these so called plans.” (Bourke/Brewarrina)*

## VALLEYS IN PROFILE- MURRUMBIDGEE

### BASIN PLANNING PROCESS

- Only 9% of respondents were unaware of the Basin Plan or Basin planning process before completing the survey, a reflection of the expectation that the Murrumbidgee Valley will be one of the most significantly affected valleys in NSW.
- Despite an environmentally-skewed approach to the Basin Planning process to date, a massive 96% of respondents had not been consulted by the MDBA about priority environmental assets in their region, suggesting that the Authority is not using local knowledge in establishing environmental priorities in the Murrumbidgee.
- Awareness of key concepts within the draft Plan was second highest of all valleys, with 66% of respondents citing that they know what a Sustainable Diversion Limit is. Again, this reflects the central nature of the valley to the Basin Plan, but demonstrates that Government still has a long way to go in terms of informing all communities.

### WATER

- 78% of respondents indicated that they had already seen a reduction in their entitlement as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps.
- 77% of respondents are concerned about the potential impacts of the Plan on stock and domestic water, indicating that the bulk of the farmers in the region see the Basin Plan as the ‘thin edge of the wedge’.

### SOCIO-ECONOMIC IMPACTS

- 56% of respondents’ families have been farming in their local region for more than 60 years, with 24% of respondents farming for four generations or more. The impacts reported below will therefore affect multiple generations within the valley.
- Respondents are extremely concerned about how their town and/or district will be affected if the Basin Plan results in significant cuts to water entitlements, with:
  - 74% responding that there would be reduced viability of irrigation infrastructure;
  - 74% of respondents indicating farm families would leave the district, reducing income for town businesses; and
  - 71% responding that their town would be dramatically affected, risking the future viability of businesses and the town.
- Only 6% of respondents felt that the Plan would not impact on their district; and 10% in the case of their town.

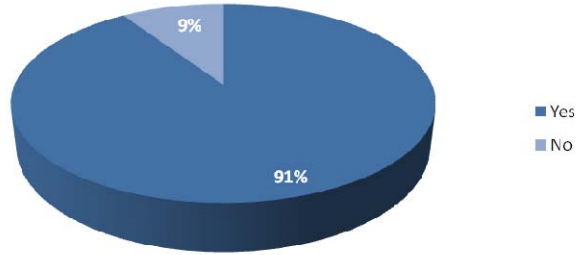
### THE FUTURE

- 84% of respondents were worried about their farm debt to equity ratio should reductions in entitlements be implemented, demonstrating the potential for the Basin Plan to impact directly on the viability of farmers and communities across the Murrumbidgee.
- **Of extreme concern for all Australians is the fact that 54% of respondents said that they would exit agriculture altogether if the Basin Plan fails to deliver the water necessary to continue farming under their current system.**
- Other respondents said they would have to reduce their scale of operations (38%); one in four said they would cut back on staff numbers (26%); and one in five said they would sell all or part of their water licence (20%).

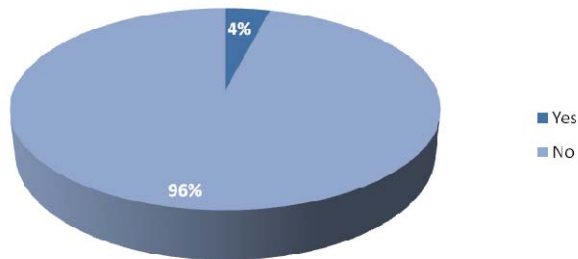
### KEY FINDINGS IN THE MURRUMBIDGEE

#### BASIN PLANNING PROCESS

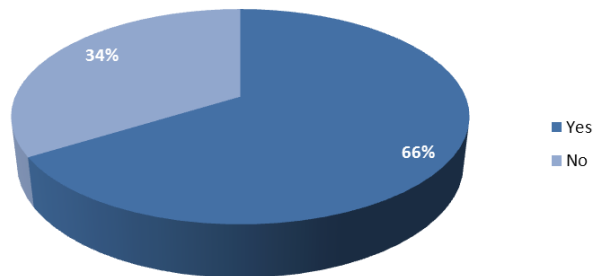
Were you aware of the Basin Plan or the Basin planning process before completing this survey?



Have you been consulted by the Murray Darling Basin Authority or Government about priority environmental assets in your region?

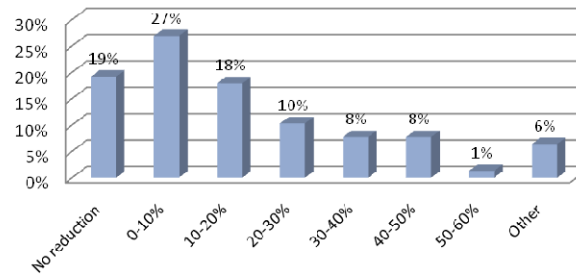


Do you know what a Sustainable Diversion Limit is?

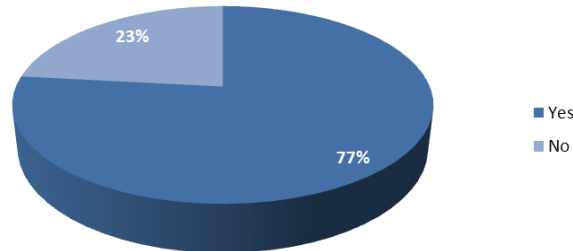


#### WATER

In percentage terms, how much has your entitlement been reduced as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps?

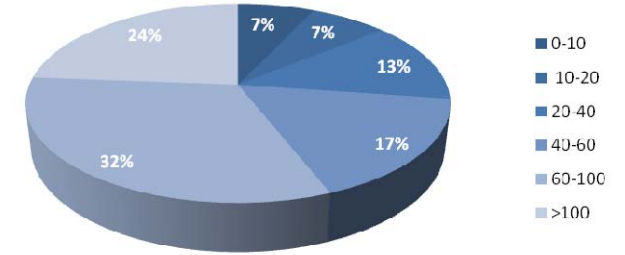


Do you have concerns about the potential impacts of the Basin Plan on Stock and Domestic Water?

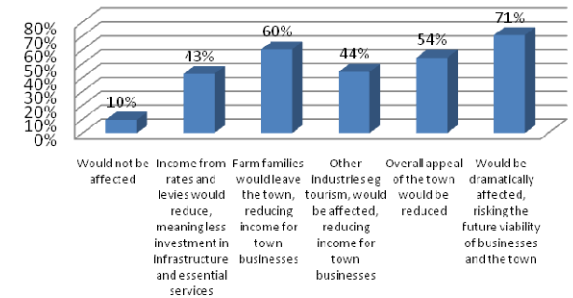


#### SOCIO-ECONOMIC IMPACTS

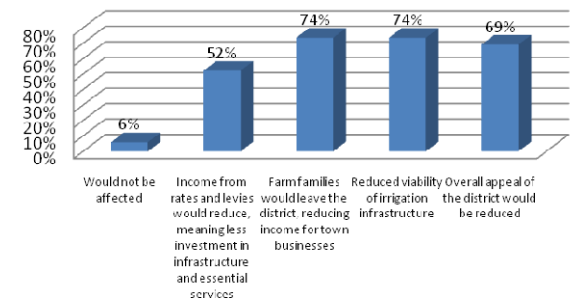
Including earlier generations, approximately how many years has your family been farming in your local region?



If the Basin Plan resulted in significant cuts to water entitlements, how do you think your town would be affected?

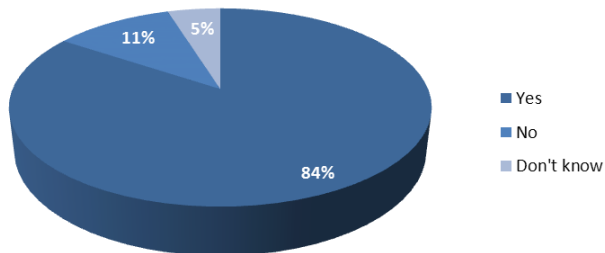


If the Basin Plan resulted in significant cuts to water entitlements, how do you think your district would be affected?

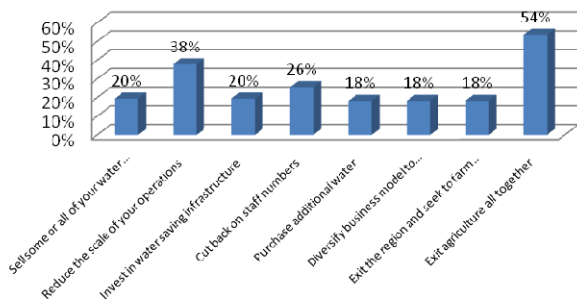


**CASE STUDY: WARD FAMILY, MURRUMBIDGEE VALLEY**

Are you concerned about your farm debt to equity ratio, should reductions in entitlements be implemented?



If the Basin Plan fails to deliver the water necessary to continue farming under your current system, what will you do?



John and Dorothy Ward have two properties in the Murrumbidgee where they farm cattle and grow prunes and grapes. John’s family has been farming in the Griffith and Coleambally regions for over three generations. The family started out farming sheep and cattle, before diversifying into dryland crops in the 1960s; and irrigated crops in the early 1980s.

John’s business was focused on rice production until reduced water entitlements and drought forced him to rethink his farming mix five years ago. Since then John has undertaken a massive restructure, investing \$300,000 in the expansion of his prune farm; and bringing one of his four daughters into the business.

“I restructured to stay viable in the wake of cut backs from previous water planning programs,” John says. “My business is now set up to take full advantage of the entitlement I have. Any reduction from here threatens my entire investment, and could force me to rethink my future on the land,” he says.

“My youngest daughter, Kayleen who’s 27 years old, has always been passionate about agriculture - she had to convince me to let her buy into our prune farming enterprise! We’ve invested a lot, so it’s worrying to think we could lose the lot through the Basin Plan,” John says.

“If young people turn their backs on agriculture, they won’t return. The future of Australia’s food production is at stake here,” John says.

John also has grave concerns the Basin Plan could decimate his region.

“There’s no question the Griffith region is dependent on irrigated agriculture and horticulture. No business is immune from the impact of reduced water,” John says.

“My three other daughters live in the region – I’m worried the Basin Plan could take away their jobs,” he says.

John acknowledges the importance of protecting the environment, but believes there has been a severe lack of discussion about how the community would cope under any reductions in productive water use.

“We’re emerging from the worst drought in recorded history where locals suffered terribly. The Basin Plan has the potential to echo the effects of the drought – on a permanent basis. I’m worried this could be too much to bear for many farmers,” John says.

John is a passionate advocate for mental health support, and helped set up the ‘Farm Shed’ during the drought. He worries the Basin Plan could put even more demand on mental health services in the future.

“The social impacts of the Plan can’t be ignored. It’s time for the Federal Government to take this issue seriously, and work with communities to ensure a balanced outcome,” John says.

📞 John Ward, Ph: 0428 969 475



John and Dorothy Ward on the farm with their grandson Charlie and four daughters Kayleen, Janet, Allison and Nerissa

## VALLEYS IN PROFILE- MURRAY

### BASIN PLANNING PROCESS

- Only 6% of respondents were unaware of the Basin Plan or Basin planning process before completing the survey, a reflection of the expectation that the Murray Valley will be one of the most significantly affected valleys in NSW.
- Despite an environmentally-skewed approach to the Basin Planning process to date, a massive 91% of respondents had not been consulted by the MDBA about priority environmental assets in their region, suggesting that the Authority is not using local knowledge in establishing environmental priorities in the Murray.
- Awareness of key concepts within the draft Plan was considerably higher in the Murray than in any other valley, with 82% of respondents citing that they know what a Sustainable Diversion Limit is. Again, this reflects the central nature of the valley to the Basin Plan and planning process.

### WATER

- A massive 86% of respondents indicated that they had already seen a reduction in their entitlement as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps.
- 82% of respondents are concerned about the potential impacts of the Plan on stock and domestic water, the highest level of concern of all valleys surveyed.

### SOCIO-ECONOMIC IMPACTS

- A massive 62% of respondents' families have been farming in their local region for more than 60 years, with 24% of respondents farming for four generations or more. The impacts reported below will therefore affect multiple generations within the Murray.
- Respondents are extremely concerned about how their town and/or district will be affected if the Basin Plan results in significant cuts to water entitlements, with:
  - 91% responding that there would be reduced viability of irrigation infrastructure (the highest response of all valleys surveyed);
  - 89% of respondents indicating farm families would leave the district, reducing income for town businesses (again the highest response of all valleys surveyed); and
  - 86% responding that their town would be dramatically affected, risking the future viability of businesses and the town (again the highest response of all valleys surveyed).
- Only 2% of respondents felt that the Plan would not impact on their district; and 3% in the case of their town – a clear indication of the potentially devastating socio-economic implications for communities in the Murray.

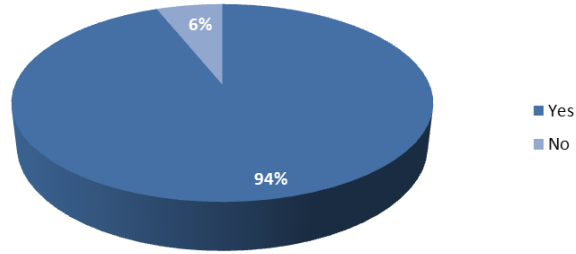
### THE FUTURE

- 88% of respondents were worried about their farm debt to equity ratio should reductions in entitlements be implemented. This was the highest level of concern reported in any valley surveyed.
- Worryingly, 37% of respondents said that they would exit agriculture altogether if the Basin Plan fails to deliver the water necessary to continue farming under their current system. Others reported that they would have to reduce their scale of operations (35%); diversify their business model (33%); and/or cut back on staff (29%).

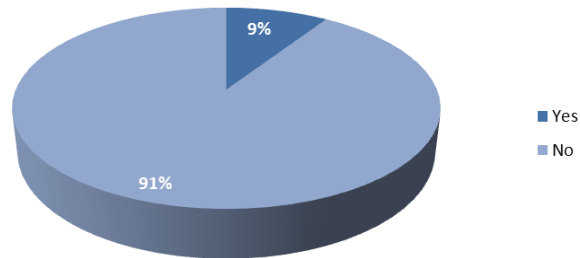
### KEY FINDINGS IN THE MURRAY

#### BASIN PLANNING PROCESS

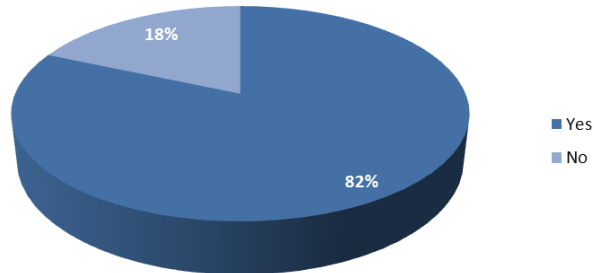
Were you aware of the Basin Plan or the Basin planning process before completing this survey?



Have you been consulted by the Murray Darling Basin Authority or Government about priority environmental assets in your region?

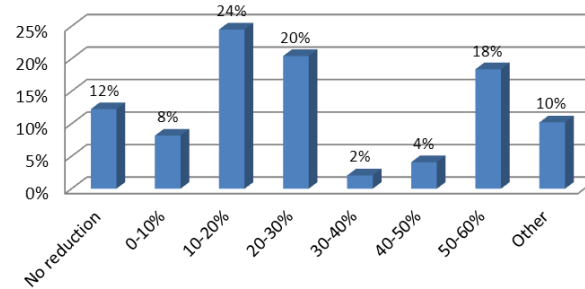


Do you know what a Sustainable Diversion Limit is?

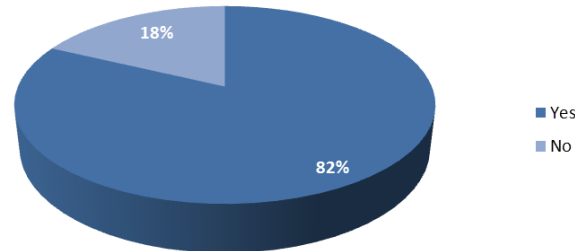


#### WATER

In percentage terms, how much has your entitlement been reduced as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps?

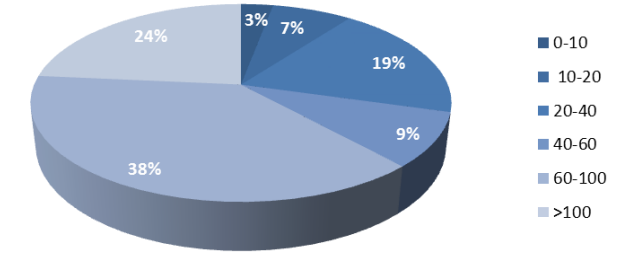


Do you have concerns about the potential impact of the Basin Plan on Stock and Domestic Water?

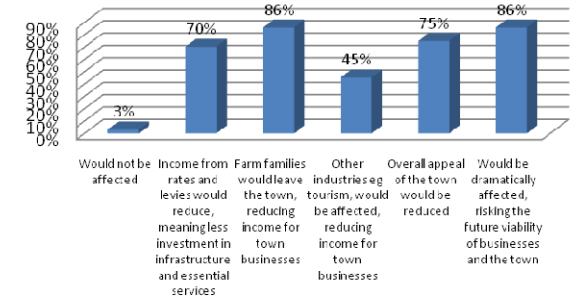


#### SOCIO-ECONOMIC IMPACTS

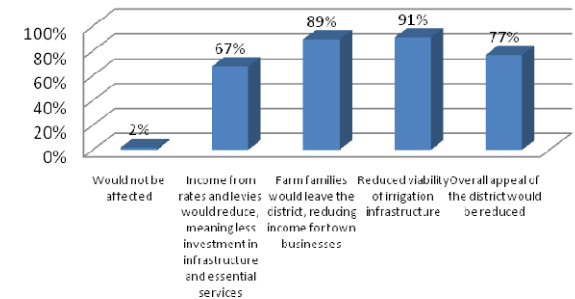
Including earlier generations, approximately how many years has your family been farming in your local region?



If the Basin Plan resulted in significant cuts to water entitlements, how do you think your town would be affected?

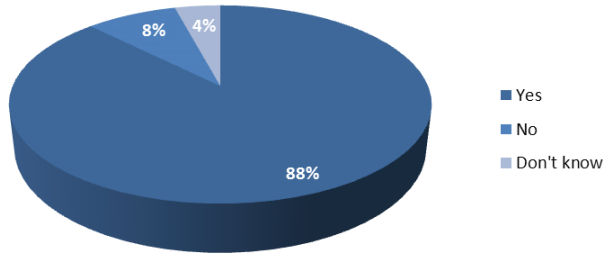


If the Basin Plan resulted in significant cuts to water entitlements, how do you think your district would be affected?

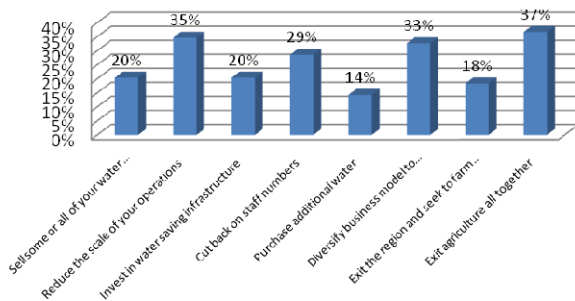


**CASE STUDY: MOAR FAMILY, MURRAY VALLEY**

Are you concerned about your farm debt to equity ratio, should reductions in entitlements be implemented?



If the Basin Plan fails to deliver the water necessary to continue farming under your current system, what will you do?



Geoff Moar is a fourth generation farmer in the Murrumbidgee Valley who runs a mixed farming, cropping and horticultural enterprise in the Oaklands region, comprised of 6000 acres of dryland cereal crops and 600-700 acres of irrigated potatoes. With a family history that focussed on sheep and cropping, Geoff stepped out alone and began his business with 6 acres of irrigated potatoes in 1967. He now employs four full time staff and four casuals.

A member of the Corugan Private Irrigation District Geoff says his biggest concern about the Basin Plan is that it could make the scheme unviable.

“On our farm alone we have invested close to \$2.5 million in irrigation and irrigation dependent infrastructure, if our irrigation scheme fails this investment becomes redundant” Mr Moar said.

Geoff believes that the Basin Plan has the potential to significantly reduce land values in his region. “We are at a crossroads, the last decade of drought has caused untold damage in our community but people are hanging on, the Basin Plan has the potential to be the last straw for many farmers, the tolerance levels just aren’t there anymore.”

“Large reductions in productive water in our region will cause people to leave the district; it is as simple as that,” Geoff says.

“Our private irrigation scheme is dependent on a large number of users. As these users sell their water the costs increase for those remaining to the point that it may become unviable to deliver water to some users. At this point stranded assets become a major problem and the whole system begins to break down.”

“The Murrumbidgee Valley is one of the most exposed areas in the Murray Darling Basin due to the extent of irrigation that exists. Towns throughout the region are dependent on water for their survival: if the Basin Plan focuses too closely on the environment and ignores the impacts on communities viable regional towns will shut down.”

The whole of the horticultural industry in this area is under threat from the Basin Plan. People in the city who don’t understand the issue have to realise that this will impact on them as well. The Basin Plan will lead to increased grocery prices for all Australians. Mr Moar said.

① Geoff Moar, Ph: 0412 193 799



*Geoff and Lesley Moar on the farm with their granddaughter Emily, daughter-in-law Tarin and son Shane*

### CASE STUDY: HOLM FAMILY, MURRAY VALLEY

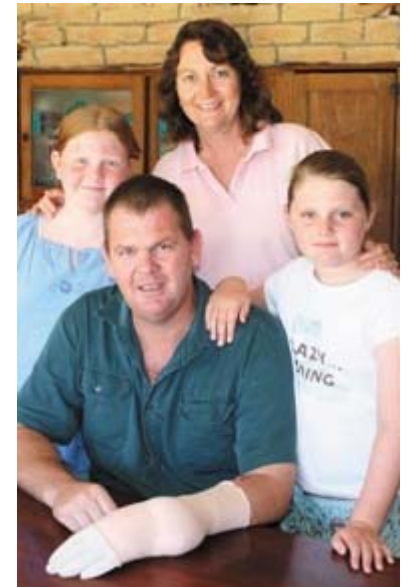
Malcolm and Jenny Holm, and their children Ellena and Talei are dairy farmers from the Blighty area in the Murray Valley. Malcolm is a fourth generation dairy farmer, employing three full-time staff and seven part-time staff, plus themselves ,in a business that is heavily reliant on irrigation.

Malcolm is very concerned about the Basin Plan and the impact that it could have on his farm, his community and his industry. “The Plan just doesn’t seem to be focussed on whole-of-Basin outcomes and I am really worried that it will be small communities like mine that will suffer” Malcolm said.

“There also seems to be a lack of strategic planning where water is being purchased, which isn’t good for communities or the environment” Malcolm said. “There is a focus on water volumes, which has the greatest impact on food production. But what Government doesn’t seem to realise is that water volume is one of about 20 key river health indicators”.

Like a lot of farmers in his community, Malcolm is unsure what the future holds. “The devil of this Plan will be in the detail, and for a variety of reasons, we haven’t seen that detail yet” Malcolm said. “My fear is that the Plan will force the region into a permanent, man-made drought”.

One of Malcolm’s frustrations with the Basin Planning process is that it has not been well communicated to his city cousins. “People in the city like the idea of a healthy environment, but I’m worried that they don’t understand the people impacts of current policies. When the Basin Plan does in fact impact on people in the city, it will be too late for us. They need to start thinking about it now, not when they see a change in prices at the check-out”.



*Malcolm and Jenny Holm with daughters Ellena and Talei.*



Malcolm is worried that the impacts of the Plan will be felt right across his industry. “The Basin Plan is already undermining confidence” Malcolm said. “Farmers will give up and move elsewhere. I have children. They don’t want their friends to leave”.

① Malcolm Holm, Ph: 0418 662 180

## VALLEYS IN PROFILE - NAMOI

### BASIN PLANNING PROCESS

- Only 3% of respondents were unaware of the Basin Plan or Basin planning process before completing the survey, representing the highest level of awareness of all valleys surveyed.
- Despite an environmentally-skewed approach to the Basin Planning process to date, a massive 97% of respondents had not been consulted by the MDBA about priority environmental assets in their region, suggesting that the Authority is not using local knowledge in establishing environmental priorities in the Namoi.
- Despite strong awareness of the planning process, awareness of key concepts within the draft Plan was relatively low, with only 42% citing that they know what a Sustainable Diversion Limit is. This is further evidence of the absence of detail in the planning process to date.

### WATER

- 74% of respondents indicated that they had already seen a reduction in their entitlement as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps, with a staggering one in three (35%) indicating that they had experienced cuts of more than 60%.
- 66% of respondents are concerned about the potential impacts of the Plan on stock and domestic water, indicating that the bulk of the farmers in the Namoi see the Basin Plan as the 'thin edge of the wedge'.

### SOCIO-ECONOMIC IMPACTS

- 39% of respondents' families have been farming in their local region for more than 60 years, with 21% of respondents farming for four generations or more. The impacts reported below will therefore affect multiple generations within the valley.
- Respondents are extremely concerned about how their town and/or district will be affected if the Basin Plan results in significant cuts to water entitlements, with:
  - 84% responding that there would be reduced viability of irrigation infrastructure (higher than for most other valleys);
  - 71% responding that their town would be dramatically affected, risking the future viability of businesses and the town; and
  - 69% of respondents indicating farm families would leave the district, reducing income for town businesses.
- Only 2% of respondents felt that the Plan would not impact on their district; and 8% in the case of their town, a reflection of the massive community impacts predicted by farmers in the Namoi.

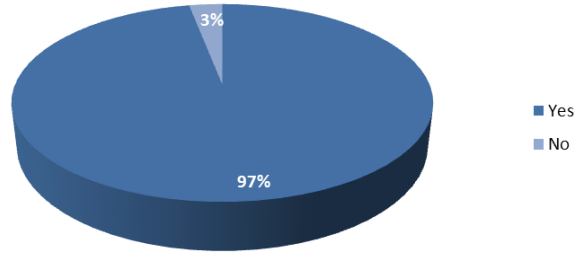
### THE FUTURE

- 78% of respondents were worried about their farm debt to equity ratio should reductions in entitlements be implemented, demonstrating the potential for the Basin Plan to impact directly on the viability of farmers and communities across the Namoi.
- Worryingly, 23% of respondents said that they would exit agriculture altogether if the Basin Plan fails to deliver the water necessary to continue farming under their current system.
- Other respondents said they would have to diversify their business model (49%); reduce their scale of operations (37%); and/or cut back on staff (31%).

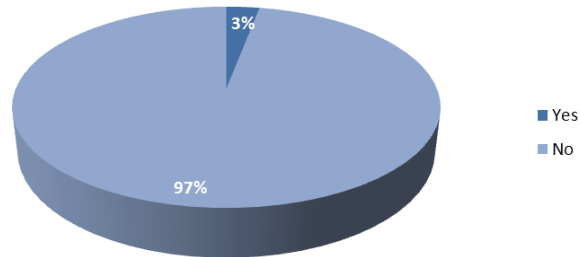
### KEY FINDINGS IN THE NAMOI

#### BASIN PLANNING PROCESS

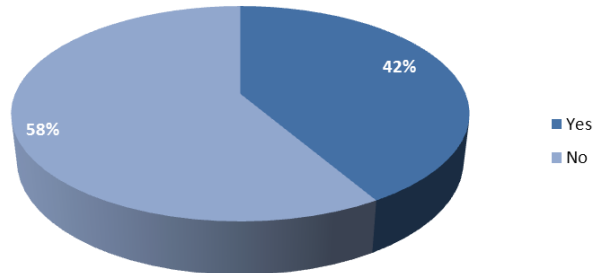
Were you aware of the Basin Plan or the Basin planning process before completing this survey?



Have you been consulted by the Murray Darling Basin Authority or Government about priority environmental assets in your region?

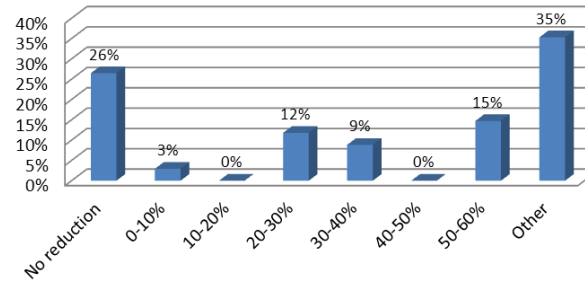


Do you know what a Sustainable Diversion Limit is?

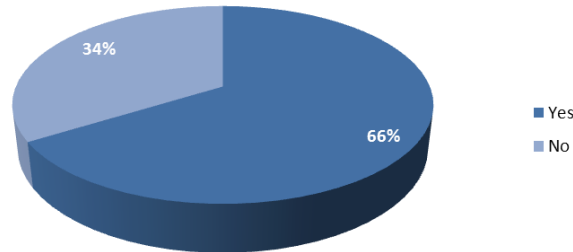


#### WATER

In percentage terms, how much has your entitlement been reduced as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps?

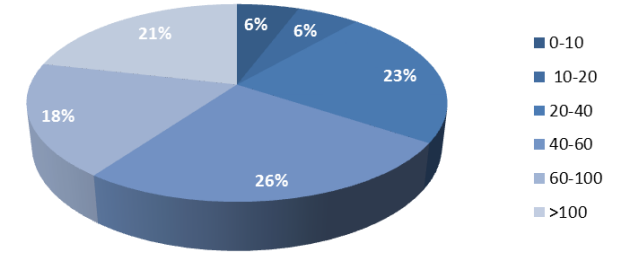


Do you have concerns about the potential impacts of the Basin Plan on Stock and Domestic Water?

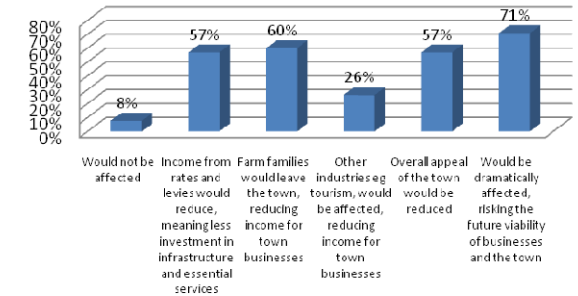


#### SOCIO-ECONOMIC IMPACTS

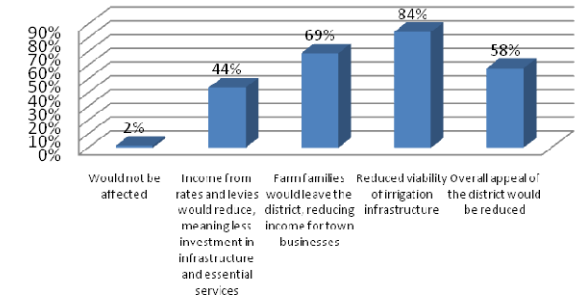
Including earlier generations, approximately how many years has your family been farming in your local region?



If the Basin Plan resulted in significant cuts to water entitlements, how do you think your town would be affected?

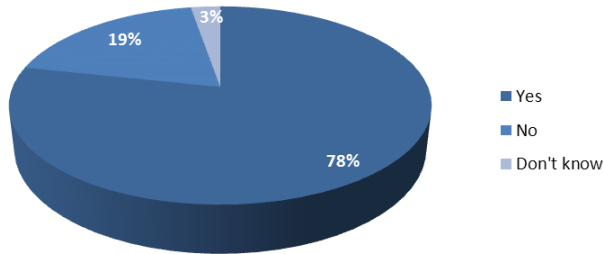


If the Basin Plan resulted in significant cuts to water entitlements, how do you think your district would be affected?



**CASE STUDY: HAMBLIN FAMILY, NAMOI VALLEY**

Are you concerned about your farm debt to equity ratio, should reductions in entitlements be implemented?

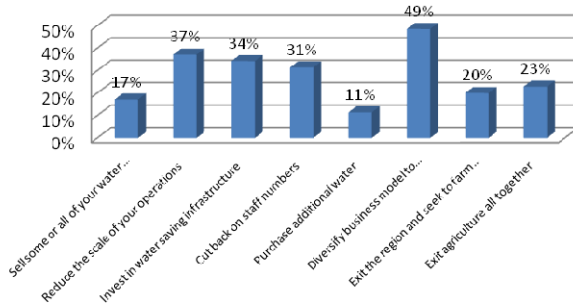


Glenys and Mark Hamblin with daughter Claudia (5) and son Mitchell (8)

Mark and Glenys Hamblin, and their children Mitchell (8) and Claudia (5) run an 1100ha irrigated cotton and grain farm at Emerald Hill, north-west of Gunnedah. Mark is a second generation farmer, employing three permanent staff, and an additional four staff during harvest. Mark says “You would need to have your head in the sand not to realise how big an impact the Murray Darling Basin Plan is going to have”.

The Hamblin family’s farm is 85% reliant on irrigation. The family has already made massive investments in water infrastructure to achieve maximum irrigation efficiency with their precious water resources. As a result of their efforts in this area, 2/3 of their enterprise now utilises an overhead lateral system for irrigation, which is far more efficient than the traditional method of running water down rows in between crops. The Hamblins are already dealing with a 78% cut to groundwater allocations, meaning that any further cuts brought about as a result of the Basin Plan could be devastating.

If the Basin Plan fails to deliver the water necessary to continue farming under your current system, what will you do?



“Further cuts to groundwater would mean that we could no longer invest in irrigation infrastructure to enable us to continue using water at the highest levels of efficiency” Mark said. “We would have to dramatically reduce the amount of irrigated crop. In fact, we’d probably have to halve it”.

The Hamblins are frustrated that farmers across the Basin have been “left hanging”, with the release date of the draft Plan continually delayed, resulting in uncertainty across the Basin. Whilst the detail of the Plan has still not been released, the Hamblins know that the Sustainable Diversion Limits recommended in the Plan could have massive impacts, not only on their farm, but also their community and their industry.

“Farmers are going to have less money to spend in town, meaning that agricultural and machinery businesses that rely on us are going to hurt too” Mark said.

Whilst the impacts of the Plan will certainly be felt across the cotton and irrigated grain industries, Mark is also concerned about the feedlot and chicken industries that are reliant on grain for feed. “What people in the cities need to realise is that reduced grain production will drive up input prices for meat-producers, which could drive up poultry and meat prices in the supermarket, meaning that consumers outside the Basin could also be affected by the Basin Plan.

📞 Mark Hamblin – Ph: 0429 302 749

## VALLEYS IN PROFILE- GWYDIR

### BASIN PLANNING PROCESS

- 19% of respondents were unaware of the Basin Plan or Basin planning process before completing the survey, which demonstrates the ineffective community engagement process to date throughout the Gwydir region. With 'valleys' being introduced as new geographic boundaries in NSW, it appears that some farmers are not aware that they are within the boundary of the Basin, as defined by the Murray Darling Basin Authority.
- Despite an environmentally-skewed approach to the Basin Planning process to date, a massive 97% of respondents had not been consulted by the MDBA about priority environmental assets in their region, suggesting that the Authority is not using local knowledge in establishing environmental priorities in the Gwydir.
- Awareness of key concepts within the draft Plan was the equal lowest of any valley surveyed, with only 32% of respondents citing that they know what a Sustainable Diversion Limit is.

### WATER

- A staggering 92% of respondents indicated that they had already seen a reduction in their entitlement as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps, with 31% of respondents indicating that they had experienced a cut of more than 60%.
- 52% of respondents are concerned about the potential impacts of the Plan on stock and domestic water.

### SOCIO-ECONOMIC IMPACTS

- A massive 58% of respondents' families have been farming in their local region for more than 60 years, with 46% of respondents farming for four generations or more. The impacts reported below will therefore affect multiple generations within the Gwydir.
- Respondents are very concerned about how their town and/or district will be affected if the Basin Plan results in significant cuts to water entitlements, with:
  - 68% responding that there would be reduced viability of irrigation infrastructure;
  - 68% of respondents indicating farm families would leave the district, reducing income for town businesses (again much higher than in other valleys); and
  - 57% responding that the overall appeal of the district would be reduced.
- Only 4% of respondents felt that the Plan would not impact on their district; and 21% in the case of their town.

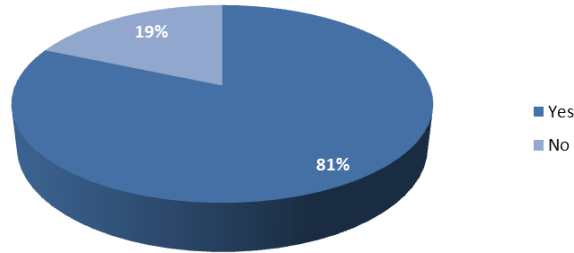
### THE FUTURE

- 59% of respondents were worried about their farm debt to equity ratio should reductions in entitlements be implemented, demonstrating the potential for the Basin Plan to impact directly on the viability of farmers and communities across the Gwydir.
- Worryingly, 50% of respondents said that they would exit agriculture altogether if the Basin Plan fails to deliver the water necessary to continue farming under their current system.
- Other respondents said they would have to cut back on staff (50%); diversify their business model (50%); and/or sell some or all of their water licence (42%).

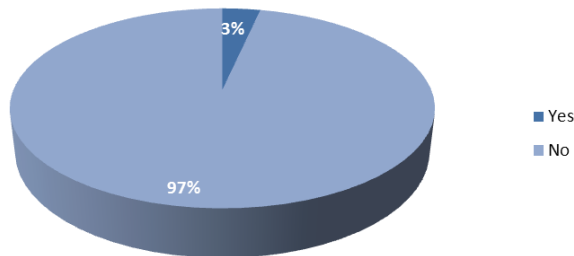
### KEY FINDINGS IN THE GWYDIR

#### BASIN PLANNING PROCESS

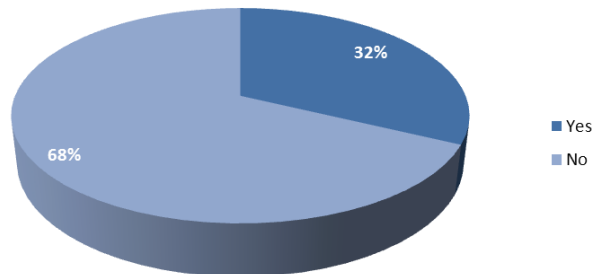
Were you aware of the Basin Plan or the Basin Planning process before completing this survey?



Were you consulted by the Murray Darling Basin Authority or Government about priority environmental assets in your region?

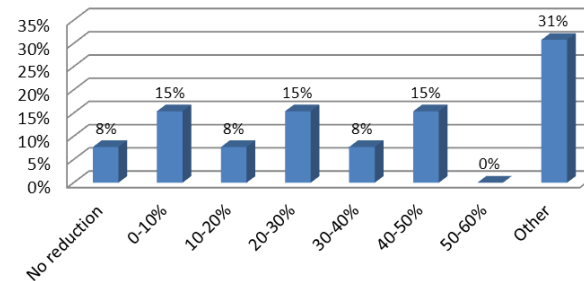


Do you know what a Sustainable Diversion Limit is?

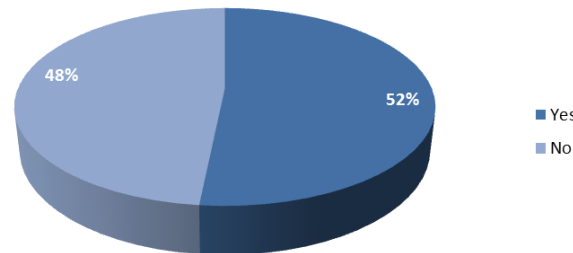


#### WATER

In percentage terms, how much has your entitlement been reduced as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps?

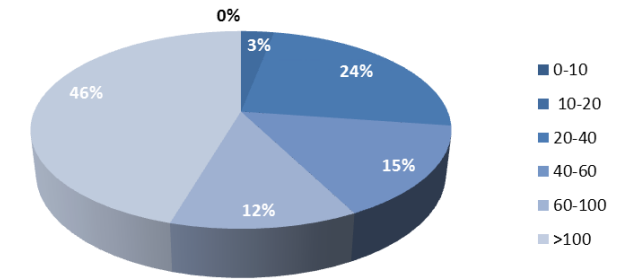


Do you have concerns about the potential impacts of the Basin Plan on Stock and Domestic Water?

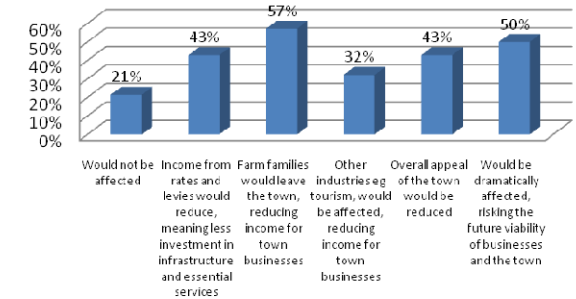


#### SOCIO-ECONOMIC IMPACTS

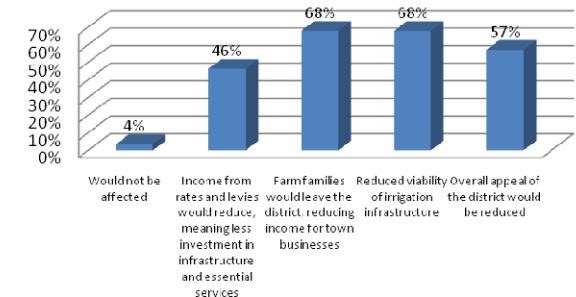
Including earlier generations, approximately how many years has your family been farming in your local region?



If the Basin Plan resulted in significant cuts to water entitlements, how do you think your town would be affected?

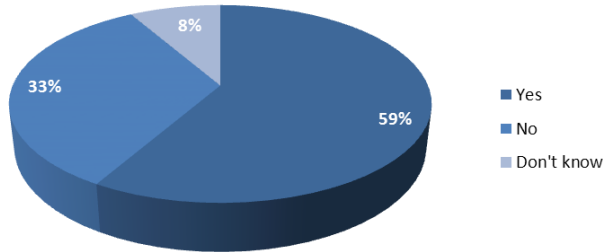


If the Basin Plan resulted in significant cuts to water entitlements, how do you think your district would be affected?

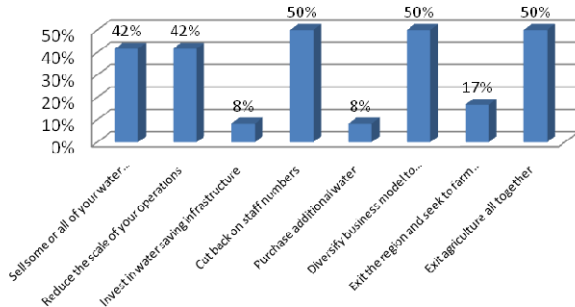


**THE FUTURE**

Are you concerned about your farm debt to equity ratio, should reductions in entitlements be implemented?



If the Basin Plan fails to deliver the water necessary to continue farming under your current system, what will you do?



**CASE STUDY: BOYDELL FAMILY, GWYDIR VALLEY**

Stuart Boydell, together with his family, farms his 6000ha mixed farming operation located 27km west of Moree. Stuart is a fourth generation farmer whose family has been farming in the region for 98 years.

Beginning as sheep producers until 1965, the family commenced irrigation in the 1970s with construction of Copeton Dam and moved into cotton in the early 1980s. Stuart has historically employed four full-time staff on his property, but has been forced to reduce this to 2.5 as a direct result of lost productivity relating to a lack of water.

Stuart says that he can already notice the impacts of water sales from within the region and is extremely concerned about the compounding impacts of productive water losses from the community as a result of the Basin Plan. Stuart mentioned a University of New England study that determined that every dollar produced on farm represented seven dollars in the local community, highlighting the importance of agriculture and the region's dependence on it. The effects on the local Moree community have been evident in the past few years, with over 1600 people under the age of 45 years old leaving the district. If this trend is not addressed the whole community will collapse. "I am concerned that the impacts of the Basin Plan will only speed up this trend, thereby threatening the viability of local towns in this region," Stuart said.



Stuart Boydell with his wife Penny, daughters Dimity, Phoebe and Amber and Granddaughter Madeline

Stuart said that his biggest concern about the Basin Plan relates to the potential for reduced water licence values, which will directly impact on his debt to equity ratio. "A decade of drought has left my business extremely exposed to reductions in equity," Stuart said. "My water licences are one of the most valuable assets I have and any significant reduction in their value is a direct threat to my viability. We have seen 60% reductions in our groundwater licences in this region already" he said. "Whilst we did receive some compensation for these licences, compensation is only a one off sum; it does not allow me to keep producing food and remaining viable year after year".

Stuart believes there is a severe lack of understanding about the Basin Plan amongst city cousins. "It is overwhelming the support from our city friends during the drought, however they don't fully understanding the issues faced. There seems to be a perception that farmers don't care about the environment and are only focussed on making money; this couldn't be further from the truth. The reality is that farmers are sustainable land managers, they have to be to survive," he said.

"Farming has evolved a lot over the years with many thanks to our scientists and local agronomic professionals. The ongoing research and development has enabled farmers to have a much better understanding of their environments and the unique requirements of the Australian landscape. Over 50% of my farmland is native vegetation and I value the environment. Progressive agriculture is about striking a balance between environmental and productive needs." Stuart said.

① Stuart Boydell – Ph: 0428 533 059

## VALLEYS IN PROFILE- MACQUARIE CASTLEREAGH

### BASIN PLANNING PROCESS

- One in four respondents were unaware of the Basin Plan or Basin planning process before completing the survey, which demonstrates the ineffective community engagement process to date throughout the Macquarie-Castlereagh region. With 'valleys' being introduced as new geographic boundaries in NSW, it appears that some farmers are not aware that they are within the boundary of the Basin, as defined by the Murray Darling Basin Authority.
- Despite an environmentally-skewed approach to the Basin Planning process to date, a massive 94% of respondents had not been consulted by the MDBA about priority environmental assets in their region, suggesting that the Authority is not using local knowledge in establishing environmental priorities in the Macquarie-Castlereagh.
- Awareness of key concepts within the draft Plan was relatively low, with less than half (44%) of respondents citing that they know what a Sustainable Diversion Limit is.

### WATER

- 48% of respondents indicated that they had already seen a reduction in their entitlement as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps.
- 69% of respondents are concerned about the potential impacts of the Plan on stock and domestic water, indicating that the bulk of the farmers in the region see the Basin Plan as the 'thin edge of the wedge'.

### SOCIO-ECONOMIC IMPACTS

- A massive 65% of respondents' families have been farming in their local region for more than 60 years, with 40% of respondents farming for four generations or more. The impacts reported below will therefore affect multiple generations within the Macquarie-Castlereagh valley.
- Respondents are very concerned about how their town and/or district will be affected if the Basin Plan results in significant cuts to water entitlements, with:
  - 56% of respondents indicating farm families would leave the district, reducing income for town businesses; and
  - 54% responding that there would be reduced viability of irrigation infrastructure (much higher than in other valleys);
  - 46% responding that income from rates and levies would reduce, meaning less investment in infrastructure and essential services in their town.
- Only 15% of respondents felt that the Plan would not impact on their district; and 22% in the case of their town.

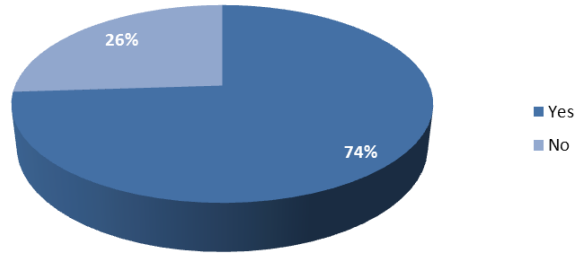
### THE FUTURE

- 59% of respondents were worried about their farm debt to equity ratio should reductions in entitlements be implemented, demonstrating the potential for the Basin Plan to impact directly on the viability of farmers and communities across the Macquarie-Castlereagh.
- Worryingly, 9% of respondents said that they would exit agriculture altogether if the Basin Plan fails to deliver the water necessary to continue farming under their current system.
- Other respondents said they would have to sell some or all of their water licence (47%); diversify their business model (41%); cut back on staff (38%) and/or reduce their scale of operations (38%). It should be noted that this valley recorded the second highest response to the option of cutting back staff.

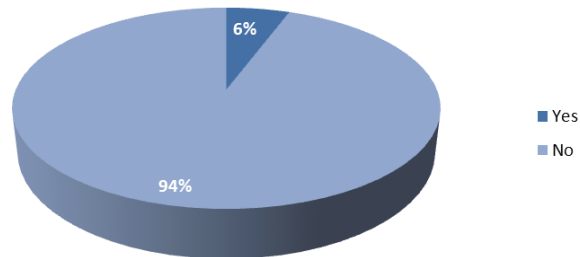
### KEY FINDINGS IN THE MACQUARIE-CASTLEREAGH

#### BASIN PLANNING PROCESS

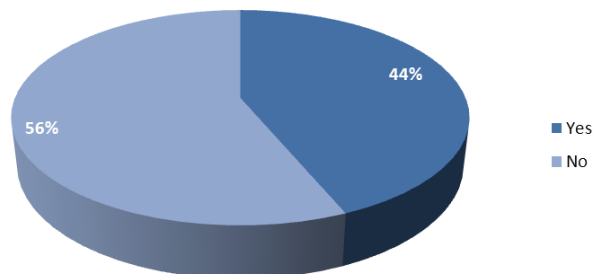
Were you aware of the Basin Plan or the Basin planning process before completing this survey?



Have you been consulted by the Murray Darling Basin Authority or Government about priority environmental assets in your region?

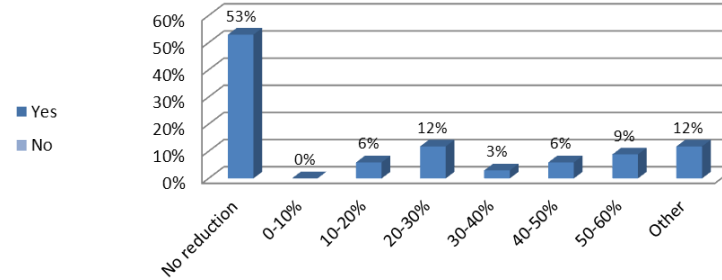


Do you know what a Sustainable Diversion Limit is?



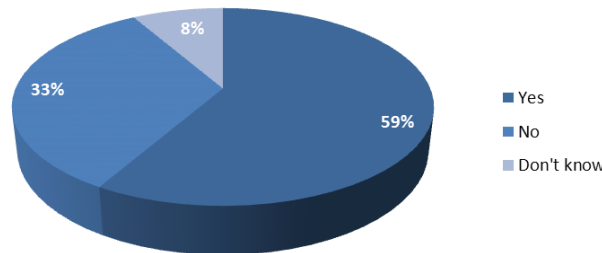
#### WATER

In percentage terms, how much has your entitlement been reduced as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps?

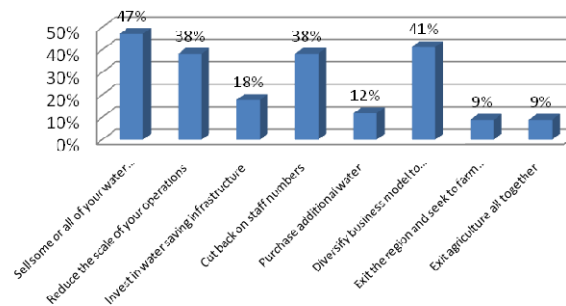


#### THE FUTURE

Are you concerned about your farm debt to equity ratio, should reductions in entitlements be implemented?

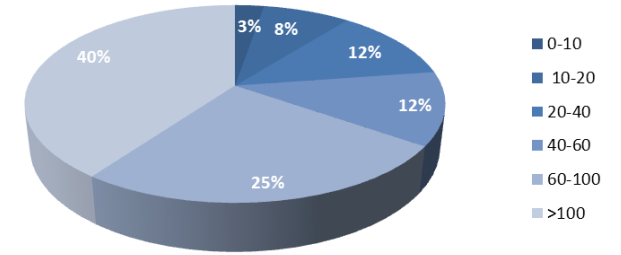


If the Basin Plan fails to deliver the water necessary to continue farming under your current system, what will you do?

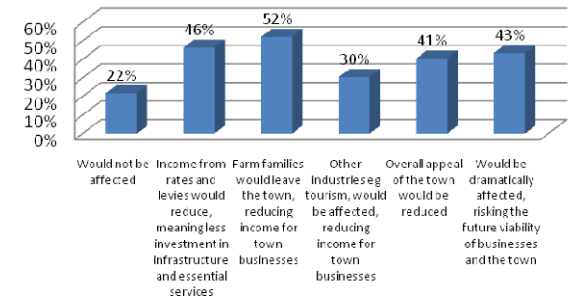


#### SOCIO-ECONOMIC IMPACTS

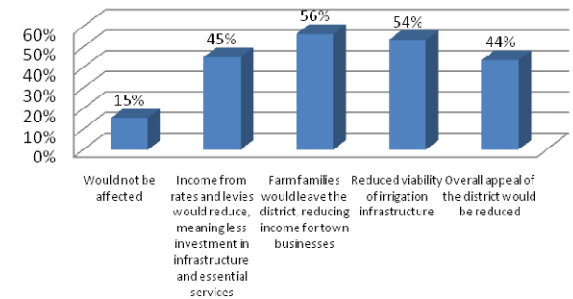
Including earlier generations, approximately how many years has your family been farming in your local region?



If the Basin Plan resulted in significant cuts to water entitlements, how do you think your town would be affected?



If the Basin Plan resulted in significant cuts to water entitlements, how do you think your district would be affected?



## VALLEYS IN PROFILE- LACHLAN

### BASIN PLANNING PROCESS

- 18% of respondents were unaware of the Basin Plan or Basin planning process before completing the survey, which demonstrates the ineffective community engagement process to date throughout the Lachlan region. With 'valleys' being introduced as new geographic boundaries in NS, it appears that some farmers are not aware that they are within the boundary of the Basin, as defined by the Murray Darling Basin Authority.
- Despite an environmentally-skewed approach to the Basin Planning process to date, a massive 92% of respondents had not been consulted by the MDBA about priority environmental assets in their region, suggesting that the Authority is not using local knowledge in establishing environmental priorities in the Lachlan.
- Awareness of key concepts within the draft Plan was the equal lowest of any valley surveyed, with only 32% of respondents citing that they know what a Sustainable Diversion Limit is.

### WATER

- 48% of respondents indicated that they had already seen a reduction in their entitlement as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps.
- 70% of respondents are concerned about the potential impacts of the Plan on stock and domestic water, indicating that the bulk of the farmers in the Lachlan see the Basin Plan as the 'thin edge of the wedge'.

### SOCIO-ECONOMIC IMPACTS

- A massive 70% of respondents' families have been farming in their local region for more than 60 years, with 38% of respondents farming for four generations or more. The Lachlan had the highest number of third and fourth generation farmers of any valley surveyed, highlighting the potential for the Basin Plan to affect multiple generations within the valley.
- Respondents are very concerned about how their town and/or district will be affected if the Basin Plan results in significant cuts to water entitlements, with:
  - 71% responding that there would be reduced viability of irrigation infrastructure;
  - 67% of respondents indicating farm families would leave the district, reducing income for town businesses (again much higher than in other valleys); and
  - 65% responding that the overall appeal of the district would be reduced.
- Only 6% of respondents felt that the Plan would not impact on their district; and 6% in the case of their town.

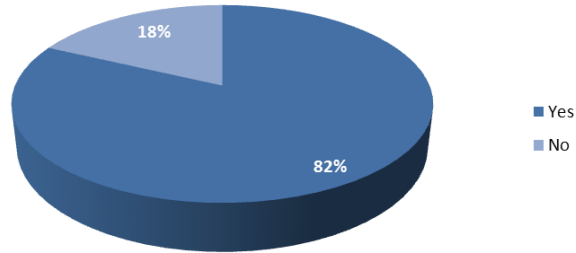
### THE FUTURE

- 55% of respondents were worried about their farm debt to equity ratio should reductions in entitlements be implemented, demonstrating the potential for the Basin Plan to impact directly on the viability of farmers and communities across the Lachlan.
- Worryingly, 24% of respondents said that they would exit agriculture altogether if the Basin Plan fails to deliver the water necessary to continue farming under their current system.
- Other respondents said they would have to diversify their business model (43%); reduce their scale of operations (38%); sell some or all of their water licence (33%); and/or cut back on staff (29%).

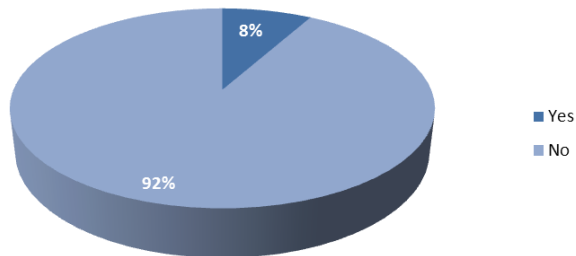
### KEY FINDINGS IN THE LACHLAN

#### BASIN PLANNING PROCESS

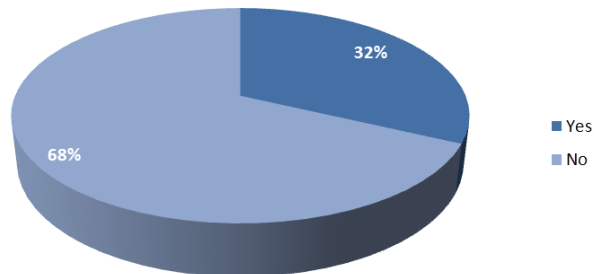
Were you aware of the Basin Plan or the Basin planning process before completing this survey?



Were you consulted by the Murray Darling Basin Authority or Government about priority environmental assets in your region?

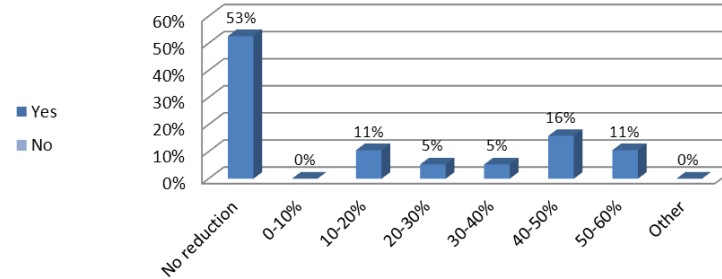


Do you know what a Sustainable Diversion Limit is?



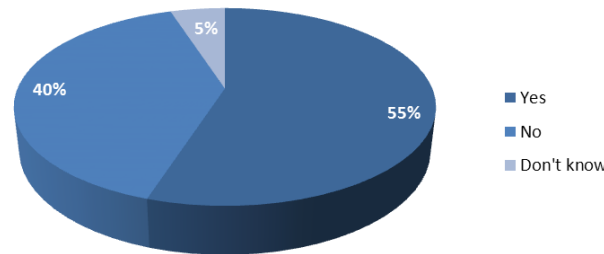
#### WATER

In percentage terms, how much has your entitlement been reduced as a result of previous Government programs such as Water Sharing Plans and Groundwater Caps?

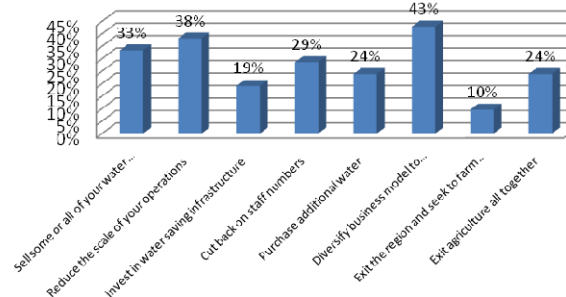


#### THE FUTURE

Are you concerned about your farm debt to equity ratio, should reductions in entitlements be implemented?

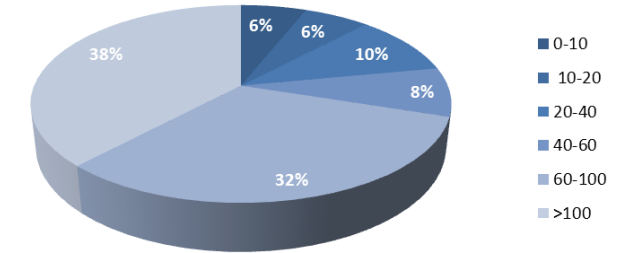


If the Basin Plan fails to deliver the water necessary to continue farming under your current system, what will you do?

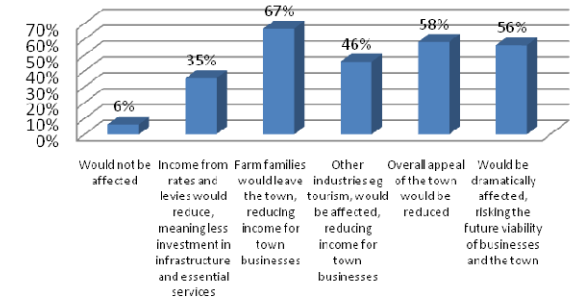


#### SOCIO-ECONOMIC IMPACTS

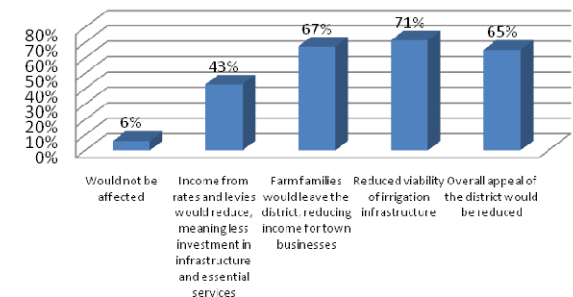
Including earlier generations, approximately how many years has your family been farming in your local region?



If the Basin Plan resulted in significant cuts to water entitlements, how do you think your town would be affected?



If the Basin Plan resulted in significant cuts to water entitlements, how do you think your district would be affected?



## **SURVEY METHODOLOGY**

- The NSW Farmers' Association's Murray Darling Basin Survey was launched via media release 15 July 2010.
- Whilst the survey was targeted at members of the Association, it was open to any landholder in the Basin.
- Surveys could be completed electronically via the NSW Farmers' Association website, or in hard copy form.
- The survey was available from the front page of the Association's website. Hard copies could also be requested, which were either faxed or posted, depending on remoteness.
- Hard copy surveys were also made available at the Association's Annual Conference 20-22 July 2010, and at the AgQuip field days 17-19 August 2010.
- 525 responses were received.

## NSWFA MURRAY DARLING BASIN PLAN POSITION STATEMENT

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](http://www.nswfarmers.org.au)) for further information.*