

MDBA - WATER TRADING

There are many flawed issues within the MDB plan although the main 2 reasons that affect my ability to farm are as follows:

1. The continued water buy back for the environment is having a major negative affect on rural communities. Without having the ability to see “the bigger picture”, many farmers thought that it was a good idea to trade their water asset for a more efficient and state of the art farm irrigation system and rely more heavily on a temporary water market where water could be sustainably accessed until further farming profitability would allow them to once again purchase Permanent water rights. How disastrously wrong those decisions have turned out to be! Many farmers now find themselves with expensive irrigation infrastructure without the ability to utilize it due to the high price of water therefore having no way of running a viable farming business. Younger or more recent farmers such as myself have bought farms without water attached to them(thanks to unbundling) and now find ourselves locked out of the water market with no way of running a profitable farming business with the added burden of ever increasing infrastructure costs. The million dollar pipelines and state of the art remote outlets are nothing more than a noose around our necks. As a 49 year old “younger farmer” I am unable to see a future for myself or my children in the irrigation industry. 2 years ago I took what I thought to be an informed decision and planted 20 Ha of Walnut trees. If I knew then what I now know I would not have planted a permanent crop. This is the type of mindset that will ultimately kill rural communities and the rural sector. You cannot remove almost 30 percent of a commodity such as water without negative side effects. The new and improved GMW infrastructure that was installed to allow more water to be removed for the environment, will ultimately find itself under utilized and expensive to maintain, leaving an irrigation farm more as a liability than an asset. As the family farms move out they will be replaced by corporate farms. These may be a source of employment for a few but the profits will be lost to the local communities and rural sector. As with the mining sector, we will have to be content with jobs but no future prosperity.

Is the wildlife on my farm less important than the wildlife at the end of the river. When I irrigated the bird life was prolific, the irrigation channels were full of frogs and fish, the recycle dams were inundated with ducks and yabbies, the snakes had a good source of food, the insects thrived. This is no longer the case on my farm. The wildlife know no boundaries, they were blissfully unaware where the water was coming from.

2. Why were investors ever invited to enter the water market? As water prices continue to rise, the more profits leave the rural sector. Every bit of profit that an investor makes, is exactly the same bit of profit that the farmer purchasing that water loses. That profit will never be seen in that rural community, that profit will not be invested into that local farm, that profit cannot be invested into that farmers family, that profit cannot be used to purchase irrigation entitlements. There is not enough profit in water for both an investor and irrigation farmer to mutually exist profitably, the odds are heavily in favour of the investor as this most important commodity becomes less available. Certainly, water prices may decrease in a wet year, but as more water is lost to the environment and more water leaves the Goulburn region on its way to the large foreign owned Almond plantations, this will be less common. As farmers get older and retire off the land, those same farmers are now becoming the next water investors. This will invariably over time see water investors with no ties to farms become more and more common and ultimately off farm ownership of water will surpass that of water owned by land owners. Something has to change to reverse this trend. Water must be tied to farms for rural communities and the rural sector to survive.