Agricultural Competitiveness White Paper Submission - IP230
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AGRICULTURAL COMPETITIVENESS WHITE PAPER

- submission by Craig Miller dated 9 April 2014.

I make this submission as an individual, a citizen of Australia for over 70 years now and applaud the current Federal Government for at long last addressing "an agriculture sector that lasts, a sector that grows and will deliver a greater return to our nation". This is an issue that is decades late in being properly addressed. Let's face it, water reform in this country has been 'on the table' since 1994 and what, in a real meaningful way, have we got to show for it?

If the future of Australian agriculture is to be taken seriously by our political leaders as well as our leaders of industry, then it will be a pointless exercise this UNLESS all self interests are 'tossed out the window' and the ultimate benefits to the nation are kept uppermost in everyone's mind!

The issues paper identifies many of the key issues. The one key issue that is the underlying 'compound' that will be the catalyst to a sustainable and reliable agri industry in Australia for many, many decades to come is WATER! A sustainable and reliable supply of fresh water to all our key food producing (farming, crops and grazing) and fibre cropping districts is the paramount key issue because without this key issue being resolved positively, then other key issues like food security, improving gate returns, regional communities, enhancing exports, etc just cannot be achieved in any meaningful and long lasting manner. 'Water' is the catalyst towards the success of ALL the key issues!!

So, my emphasis herein will be on a reliable and sustainable fresh water supply to all our key farming, grazing and cropping districts including related towns and villages, particularly to the west of the Great Dividing Range (GDR) and from the Gulf of Carpentaria south to the southern ocean.

WATER SOURCES

Much of the water 'supplied' to the Murray/Darling basin comes all the way down from central Queensland (Thompson, Barcoo, Bulloo, Condamine, Balonne, Maranoa, Warrego, etc) and 'feeds' its way along with other great NSW river systems to the Murray/Darling system.

I don't have to hand finite statistics on population 'distribution' throughout Australia, particularly for Qld, NSW, Vic and SA. But I estimate probably 75/80% of residents/businesses are located/reside below the Tropic of Capricorn (T of C) with the great majority of those located/residing east of the GDR. The cynic in me suggests that coastal towns/cities have been pretty well catered for to date for their fresh water reliability through all seasons no matter how harsh – the greater majority of voters reside

in areas to the east of the GDR. Hence, over the years residential/farming/industrial interests in these areas have been very well provided for in regard to reliable fresh water supply. Not so in the major agricultural areas west of the GDR. I'd hate to think the reason for this 'imbalance' is the very much smaller number of voters residing west of the GDR. Hence, it is well overdue that the sustainable fresh water supplies for the major agricultural areas west of the GDR and from the Gulf of Carpentaria south are more adequately catered for.

While the Bureau of Meteorology (B of M) will be able to supply accurate figures, I have the view that probably 70% of the nation's rains fall annually above the T of C. Hence, the 'landing areas' of the bulk of the sources of natural water across the nation are way out of whack with where the nation, over the past two centuries, has allowed the great bulk of residential and industrial development.

RESERVOIRS/DAMS/RETARDATION BASINS

When I look at B of M's list of Australian dams, again I notice the great majority of such are located east of the GDR!! I don't see the provision of more dams east of the GDR in any way as a pressing need.

Again, the major agri districts of eastern Australia west of the GDR in particular have been 'overlooked' somewhat when one thinks in terms of sustainability/growth of output from our agri districts. I readily acknowledge Australia is a vast country. And we don't have the population of similar sized countries like US of A for example. But we do have just about every type of mineral in the ground and other natural resources required to sustain our country's growth – we just need to manage some of those resources better, particularly water. We do have vast areas of furtile ground (including non-developed areas which merely lack a reliable water supply and maybe one or two key elements in the soil in order to become productive) ideal for sustainable farming/grazing/cropping. AND we do have adequate supplies of fresh water. BUT we do not manage the distribution of that supply of fresh water at all well. Like many other key components of our economy (education, health, transport) management is disjointed because of our State/Local Government system – too many self interest regulatory authorities!!!

Water management should be 'nationalised'. National Water Commission should have the key overall management control and responsibility for the distribution of fresh water nationally – would need to be given more 'teeth' to be really effectual. Controlled and managed Federally (just as for Defence) should be an absolute necessity. Water is a necessary requirement for every resident, every industry – not just for agri. Water is just as important for our existence (personal and business alike) as is air and sunlight. Yet our past leaders seem to have ignored the importance of water management, particularly to our key agri districts. Past attitudes seem to have revolved around the sayings "She'll be right mate!" or "It'll rain soon!" etc, etc. What a gross indictment against our past so called leaders!!! Key voting areas seem to have been prioritized I'm sorry to say. Giant desalination plants costing billions have been built as a 'back-up' to our coastal cities and towns in case our more usual fresh water resources 'dry up'!! No such back-up

infrastructure has been provided in country areas other than what certainly seems to be inadequate dams/reservoirs.

I know for any change at all to how our current leaders (including career bureaucrats) may wish to proceed in future with the nation's water management there will be environment issues to consider as well as major funding requirements. But, unless our leaders, no matter what political persuasion, show some intestinal fortitude to "Get On and DO", then this White Paper exercise is going to be a waste of time for all who participate.

Over an average period of, say 5 years, it can be expected that there will be huge rains in our northern regions as well as for many of our State river catchment areas, with some resultant flooding. We need to develop more "Lake Argyles", more "Mulwalla retardation reservoirs" in several of these flood prone areas so that the excesses of water flows that occur periodically can be largely harnessed to facilitate controlled irrigation during drier times – 10 year drought incidents do occur in some areas which can be provided for somewhat IF there is a will to do so by our nation's leaders. In those areas east of the GDR where 'excesses' flow each year into the Pacific, why cant some of those excesses, say 25%, be 'harnessed' and pumped over the range to reservoirs west of the GDR with re-distribution at low rainfall times to other dams/reservoirs/retardation basins in those western areas when low/drying up?

We've pumped fresh water for over 118 years from near Perth to the Kalgoorlie/Coolgardie mining fields through 14 pumping stations without any real concerns. Many other 'localised' water pipelines exist as well. With modern technology and engineering capabilities, I would expect a water pipeline grid infrastructure exercise would be relatively straight forward these days to move 'excesses' from coastal river flows to inland (west of GDR) holding facilities – existing and new as identified. Again, our leaders need the will to make it happen.

FUNDING

Clearly, unless there will be evidence of an almost immediate return on capital invested in such newly completed/refurbished/expanded dam/reservoir/retardation facilities, private capital and debt will most likely not be provided . It is my view the 'seed' funding, possibly all the way to individual project completion (certainly in the first few years of implementation) will need to come from Federal Government sources. Water Bonds?

The return on capital employed will come following individual project completion based on the 'user pays' principal. It may take a few years before the controlling body starts to make a profit and thus be in a position to 'repay' Federal Government. However, as completed new water infrastructure comes on stream, the local agri economies will benefit, resulting in gradually improving productivity which in turn will enhance the

economies of local towns and villages, which in turn provides employment opportunities, etc, etc, etc. Happier times will return to these rural areas!!

This type of infrastructure funding is most appropriate for governments of the day – I'm advocating Federal Government with overall management and control of "Water Australia"!! As completed individual projects come on-stream and become self 'funding', such could be sold off to long term investors – super funds could be one type of investor. Hence the Federal Government's funding involvement would be limited (may be in there for some residual funding/performance guarantees for something up to 20 years) with ultimate 'ownership' going to third parties.

As for the initial capital outlays – anticipated at several billion built up over 5/10 years or so, I have to 'smile' somewhat at recent comments by the Prime Minister about funding Defence to the tune of 2% of GDP for a 'project' that is very much a "What if" or "You never know what is around the corner" type!!! I'm not saying the nation does not need a modern Defence capability on an on-going basis, but I do say water management/sustainability is very much a reality!!!! No "What if" or "You never know what is around the corner" issues whatsoever with the harnessing, distribution, pricing and efficient management of water resources within this nation.

CONCLUSION

Every one in government (all types), politicians and bureaucrats included, must be ashamed at the plight and personal disasters that have befallen many in our agricultural districts in recent memory, particularly for rural families that have lost loved ones and/or lost their heritage. Most of this 'shame' could have been avoided had farmers, graziers, grain growers been able to rely on sustainable supplies of quality fresh water to assist with the efficient management and growth of their agricultural enterprises. Yes, apart from water, these enterprising Australians have to contend with other business issues – disease, markets, exchange rates, labor costs, etc, etc but there is nothing more fundamental and absolutely necessary to these agri businesses than a supply of reliable fresh water!! We need to be smart with how we harness, manage and distribute quality fresh water. World's best practices and processes will be required. Australia should already be leaders in this regard. Are we?

There is no room in the debate of this topic for political in-fighting, for self interests. Everyone should keep in mind the plight of country folk, the farmers, the graziers, the towns and villages and the overall benefits to the nation when addressing the key issues this topic raises. To do otherwise will only result in another "White Paper" being 'lost' in the mire of in-fighting.

I wish the government well in getting this job done and promptly to the ultimate delight of the majority of sensible thinking and caring Aussies!!