



NSW IRRIGATORS' COUNCIL

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Legislative Assembly's Standing Committee on Natural Resource Management (Climate Change)

Inquiry into Sustainable Water Management

100219

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Introduction

NSW Irrigators' Council (NSWIC) represents more than 12,000 irrigation farmers across NSW. These irrigators access regulated, unregulated and groundwater systems. Our members include valley water user associations, food and fibre groups, irrigation corporations and commodity groups from the rice, cotton, dairy and horticultural industries.

This document represents the views of the members of NSWIC. However each member reserves the right to independent policy on issues that directly relate to their areas of operation, or expertise, or any other issues that they may deem relevant.

Comments

NSWIC welcomes the opportunity to make a submission on Sustainable Water Management to the Legislative Assembly's Standing Committee on Natural Resource Management (Climate Change).

Irrigators have a long standing history of innovation and water management practices none more evident than in the current continued drought conditions and unparalleled attention to their industry, operations and water usage.

Varied topography, climate and soil throughout Australia means that local knowledge in managing water resources in a changing climate is more important than ever. Maintaining individual state management and utilising local knowledge must be protected.

Cooperation between all water users in effectively managing water resources needs to continually be encouraged. Water is a valuable commodity with many varied uses. The value to each water user needs to be understood, monitored and expressed in a dollar figure.

The ability for water to easily move to its most valuable and productive use should be of some focus to this inquiry. A regulated water market providing an efficient and transparent platform to trade and sell water will greatly assist in addressing the management of this valuable resource.

We commend the Standing Committee for what appears to be the start of a thorough engagement process.

Terms of Reference

NSWIC notes the Committee is inquiring into issues of sustainable water management with the following three key objectives:

- a) The likely impact of climate change on the availability of water resources under different climatic scenarios;
- b) Approaches to the management of water resources by all water users including provision for environmental flows; and
- c) Best practice in water conservation and management.

The likely impact of climate change on the availability of water resources under different climatic scenarios:

NSWIC recognises that various climatic scenarios have been presented by CSIRO and other climate change scientists.

While the predicted impact of climate change on water resources varies under these scenarios, we acknowledge that there may be an impact on the availability of water and therefore irrigated agriculture.

It is important to recognise, however, that the predictions are based on impacts at 2030. We note that the current Basin Plan process being rolled out by the MDBA and implemented by Water Sharing Plans in NSW in 2014 will have a lifespan of ten years. Meaning the Plans will expire in 2024 – some 6 years before the projections of the CSIRO. It is important to recognise that the current planning processes is not in a position to implement change to 2030 – and any change likely to do so must be considered policy change rather than a practical necessity.

The impact of climate change on irrigated agriculture is likely to be less severe than on dry land agriculture provided the severe events occur in catchment areas and the water is properly managed, thus the importance of efficient water management practices on-farm.

The current management structure for water in NSW is already suited to deal with the short term impacts climate change or climate variability. Available Water Determinations (AWDs) are made regularly for each Access Licence category in each water source. This process accounts for only the water coming into the system and allocates a volume or percentage against each licence. In this way, only water that is available is used.

Approaches to the management of water resources by all water users including provision for environmental flows:

All water users should play a role in the management of the resource. In order to achieve this, an independent body to manage the planning process is required. In this case the Murray-Darling Basin Authority (MDBA) implementing a whole of Basin approach by providing an analysis of resources without borders together with the retention of the current property rights and management systems will ensure sustainability for all involved.

It should be emphasised that individual state responsibility must remain in place for the implementation of any Basin planning process. With the many varied areas and unique systems in the Basin, the only way to effectively manage them is by having an understanding of these river systems and utilising this local knowledge.

NSWIC does not support a Federal takeover of the Basin. There would be nothing gained by politicising the process of managing the Basin and putting control in the hands of a single Commonwealth Minister.

Without agriculture, regional communities would face enormous challenges and in some instances could disappear, severely affecting food production for domestic use and export. Providing security to remain viable and the confidence to invest in their business, means ensuring water licences from all forms of take are issued in perpetuity. Presently Flood Plain Harvesting and Supplementary Flows are not perpetual, which does not provide any security or asset building certainty.

It has been of great concern to NSWIC and irrigators throughout the Basin that the Commonwealth purchase program has been proceeding without a defined plan of how much water is required for the environment, where the water will be used, when the water is required or how the water will be delivered.

Understanding that the MDBA's first draft of the Basin Plan will also include an Environmental Watering Plan, we can only assume it will include an individual asset plan for each environmental asset. An asset plan must include prioritisation of these assets, delivery mechanisms, water use objectives and a cost analysis of water held in the environment. Understanding the cost in maintaining environmental assets is essential for representative comparison to the value of productive use.

Irrigators can also be of great assistance in determining the most efficient way to deliver environmental flows as their business depends on maximising allocation against entitlement.

A key part of the Commonwealth funding package to shift water use toward a new understanding of sustainability was the provision of significant sums for infrastructure investment. Part of this package is being controlled directly by the Commonwealth whilst a significant portion is under NSW Government control through the State Priority Projects program. NSWIC is extremely concerned at the very slow pace with which these programs are being implemented and urges this Committee to seriously consider this matter.

Providing a platform by which water entitlements can be traded and sold easily and efficiently will allow water to flow to its most valuable and productive use. An inquiry looking into the management of water resources by all users would identify the benefit of a fully functioning and regulated water market. Such a market would provide the opportunity for all users, including the environment to move supply to where it will do the most good.

The present water market does provide a basic platform and is developing, however access to current information is limited and regulation is not in place. A fully functioning and regulated market would provide confidence to those who potentially would not have participated prior to regulation. For example, presently there are no requirements for any forms of licensing, trust account facilities or professional indemnity cover for water brokers, leaving those who utilise them at risk of not being covered should a problem with a trade arise.

Best practice in water conservation and management:

Irrigated agriculture is characterised by high levels of infrastructure designed to combat climate variability and therefore approach self-reliance. Constant improvements in water conservation and management are researched and implemented where possible. However, the cost involved in this technology and the systems dramatically reduces the number of irrigators able to participate in the improvements.

Prolonged drought has forced some irrigators to sell water entitlements as opposed to implementing infrastructure improvements to manage the water they use more efficiently. Severe weather events are likely to continue to occur, leaving doubt as to the viability of some irrigated agriculture businesses.

We submit that infrastructure investment funding must be rolled out as quickly as possible to lessen the affects of climate variability and maintain efficient agricultural operations. An important part of the infrastructure funding is ensuring as much of the funding as possible ends up being spent on-farm and not diverted to administrative expenses to deliver and operate the programs.

A majority of focus is on the Murray-Darling Basin (MDB) when it comes to water conservation and management. There is no doubt to the importance of managing the MDB, but water issues outside the Basin are just as important and need to be pursued. Coastal irrigators for example are faced with very short rivers which discharge into the ocean. Most of these rivers are unregulated with very few dams or weirs in place to control flows. The storage of water therefore needs to be encouraged. Whether this is on farm, cooperative or public storages, effective management of this resource points to the ability to capture large amounts during times of plenty in order to supply needs in times of shortages.

Throughout Australia, farmers want to keep farming and regardless of their geographical location are open to opportunities which will allow them to continue to provide for their families, the community and Australia.