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Floodplain Harvesting – A Historical Context

We consider it important that the committee understands the context of water management in the north of the state is necessarily quite different in some ways, to the rest of the state.

Historically, the development of irrigation industries in the northern basin occurred several decades later than the southern system and was done quite differently, for good reason. Where the southern system had a reliable 'snow-melt' and winter rainfall in the Snowy Mountains which suited large headwater storages and regulated systems, the northern valleys have summer-dominant rainfall which falls often in storm events on the plains, downstream of the headwater storages. It is also true that flooding was considered a major problem for these regions as it stopped access by cutting roads and caused a lot of damage in towns and to regional infrastructure, so flood mitigation was a major factor in thinking at the time. It is for this reason that when NSW governments were encouraging the development of irrigation industries in the 1970's and 80's, they promoted and even subsidised the building of large on-farm storages and made available for extraction water that occurred instream and across the floodplain from the episodic storms and other rainfall events that are typical of the northern basin. This created an irrigation industry without the NSW Government having to invest in large dams and irrigation schemes. Also, the irrigation industry was developed on private properties that were typically extensive sheep and cattle grazing or broadacre cereals, so were large acreages. In contrast, much of the southern systems were developed by government resuming the existing large holdings, subdividing them into small acreages and then building large-scale irrigation infrastructure to service these areas developed by government. The construction of the Murray and Murrumbidgee irrigation schemes were spectacularly successful in developing the inland of NSW and creating the desired increases in wealth over the previously less-productive land uses. They provided a much-needed injection of economic activity and export income into the state and national economy which was desperately needed in the post-war period. The NSW Government expanded the development of irrigation industries into the north of the state but did not have the motivation to replicate the Snowy Mountains Scheme, despite comparable project options being available, and still are today. While there were some small government-schemes built in the Border Rivers for tobacco growing, the state government encouraged the investment of farmer's own

Affiliates: Boomi-Gnoura Gnoura Water Users Association; Dumaresq Valley Irrigators Association; Eastern Recharge Groundwater Users Association; Lower Weir River Water Users Association; Macintyre Brook Irrigators Association; Macintyre Valley Cotton Growers Association; Mole & Sovereign Water Users Association; Mungindi Water Users & Cotton Growers Association; Pindari Water Users Association; Upper Weir River & Tributaries Water Users Association

capital into the development of irrigation infrastructure to facilitate regional development instead of the reliance on government money. This was also very successful as new industries became established and regional towns developed, expanded and bloomed, as had occurred in the southern valleys.

Another example of public/private partnerships is Pindari Dam. Originally constructed in the late 1960's by NSW Government, it was expanded to 10 times its original capacity in the mid-1990's through a partnership with NSW Border Rivers water-users. The NSW government financed and managed the project with the cost of the project being **fully repaid by water-users alone** over the next 20 years. Had the water-users not been willing to pay for it, the project would not have been done and the local community and state of NSW would not have enjoyed its benefit ever since.

As well as episodic rainfall, the Border Rivers is also occasionally prone to long periods of drought, so it became obvious that crops with a constant requirement for water were not suited for a region with such episodic water supply in large quantity, so the focus was on annual crops that could be grown when water was available. Subsequently, water management arrangements were created on this principle.

All water in the NSW Border Rivers was administered under the NSW Water Act 1912 until the Water Management Act 2000 came into being. Floodplain Harvesting was always an approved class of water extraction under the 1912 Act as it was extracting and storing water when it was at its most abundant for use when it was not. Its legal authority is based in the Part 2 and Part 8 Works Approvals. Under the 1912 Act it was not required to be licenced and the practice has continued to this day on that basis, while the licensing process has continued under the Floodplain Harvesting Policy since Minister Nathan Rees announced it in 2008. The licensing of Floodplain Harvesting will bring it under the Water Management Act 2000, requiring compliance with the principles of the National Water Initiative (NWI) which included that all water take is to be licenced, metered and accounted-for. The 2000 Act required the creation of Water Sharing Plans (WSP's) for the first time in each water source in the state. Initially, these Plans administered the highest priority water licences, High Security, General Security, Supplementary, Groundwater and Unregulated, as these were the most commonly used and had the greatest volumes. The first NSW Border Rivers Regulated River WSP was gazetted in 2008. Floodplain Harvesting was not included in the first Water Sharing Plans as it was recognised that it required a significant project to progress to licensing and this was not considered a priority by the NSW Government of the day.

When the Murray-Darling Basin Plan was first conceived in 2007, a key component for NSW was the licensing of Floodplain Harvesting. This was outlined in the Basin Plan with estimates of its volumes included in the Baseline Diversion Limits (BDL's), with the commitment being made to the NSW government and its stakeholders that the BDL numbers would be adjusted once a volume was established through the licensing process. The Commonwealth provided funding for NSW government to undertake the licensing process in the early Inter-Governmental Agreements that saw the states cede some of their water management responsibilities to the Commonwealth. Over that time we have continually sought, and received, assurances about Floodplain Harvesting as a continuing legitimate water source from NSW Ministers Macdonald, Koperberg, Costa, Rees, Humphries, Hodgkinson, Blair and Pavey as well as their senior bureaucrats. The same assurances were also sought and provided from Federal Ministers Turnbull, Wong, Burke, Joyce and Littleproud.

It is sometimes said that Floodplain Harvesting is "new" extraction which "will allow more water to be taken from the rivers". In fact, the practice has occurred since at least the 1960's in most valleys with the blessing and encouragement of the NSW state government. Whilst volumes have never been monitored historically, the purpose of licensing is that it requires that all take be metered and accounted-for and that all works are approved, making any "new" extractions illegal.

It is also incorrectly claimed that Floodplain Harvesting only occurs in the 5 northern NSW valleys where the licensing is occurring, which is also untrue. NSW DPIE acknowledge that Floodplain Harvesting occurs all over NSW but is most concentrated in northern NSW, so licensing is being prioritised there first. It is unclear when, or if, licensing requirements will extend to the rest of the state where it occurs.

It must also be understood that water sharing in the NSW Border Rivers is based on allowing access to a well-defined share of the water resource **only when it is available**. As mentioned above, the Border Rivers does not enjoy the luxury of large headwater storages to guarantee supply every year but have adapted to natural conditions. Also, the Border Rivers is subject to water sharing arrangements with Queensland under the Border Rivers Act 1946 and subsequent numerous Intergovernmental Agreements.

The licensing of Floodplain Harvesting should be completed as soon as possible to include one of the last pieces of the water management framework. The Basin Plan, for all its faults, is now an established process which will continue to determine in a robust, scientific way, whether extraction volumes (Sustainable Diversion Limits (SDL's)) are suitable. If reductions in SDL's are determined to

be required in future then there is an established recovery system also in place, funded by the Commonwealth, to address imbalances.

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