

**Submission
No 52**

INQUIRY INTO ADEQUACY OF WATER STORAGES IN NSW

Organisation: Wine Grapes Marketing Board

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Riverina
WINE GRAPES
MARKETING BOARD

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Submission
to the

Standing Committee on State Development
Adequacy of Water Storages in NSW

1 August 2012

Introduction

The Wine Grapes Marketing Board "Board" is a New South Wales Statutory Authority representing 406 wine grape producers based in the Riverina region and encompassing the City of Griffith and the Local Government Areas of Leeton, Carrathool and Murrumbidgee.

The Board is constituted in accordance with the *NSW Agricultural Industry Service Act 1998* and it provides industry services as prescribed in the *NSW Wine Grape Marketing Board (Reconstitution) Act 2003*.

Wine grape production in the region is one hundred percent 100% irrigation based through water delivered by Murrumbidgee Irrigation, Coleambally Irrigation, Ground Water aquifers, River pumping from the Murrumbidgee and the Lachlan Rivers at Hillston.

Regional production of wine grapes is based on an area of 22,000 hectares producing approximately 300,000 tonnes of wine grapes that are made into wine for exports markets and domestic consumption. The region produces close to 15% of Australia's wine grape production. 76% of the region productive area is currently utilising drip irrigation techniques.

The Board welcomes the opportunity to provide a submission to this inquiry.

Terms of Reference

That the Standing Committee on State Development inquire into and report on the adequacy of water storages in NSW, and in particular:

- a) the capacity of existing water storages to meet agricultural, urban, industrial and environmental needs,
- b) models for determining water requirements for the agricultural, urban, industrial and environmental sectors,
- c) storage management practices to optimise water supply to the agricultural, urban, industrial and environmental sectors,
- d) proposals for the construction and/or augmentation of water storages in NSW with regard to storage efficiency, engineering feasibility, safety, community support and cost benefit,
- e) water storages and management practices in other Australian and international jurisdictions,
- f) any other matter relating to the adequacy of water storages in NSW.

The Wine Grapes Marketing Board as the representative body in the region on behalf of independent grape producers welcomes the opportunity to provide input to this Inquiry.

a) the capacity of existing water storages to meet agricultural, urban, industrial and environmental needs,

The existing water storages were designed and developed at a time when development in irrigation activities across New South Wales was emerging. Without these storages many of the State's cities, towns and regions would not have flourished to become economically beneficial to the state.

The recent drought has shown that the capacity of these storages needs urgent review and expansion to enable existing permanent plantings and investment in irrigation infrastructure to support annual production to remain viable.

The impacts of low inflows into storages flowed onto communities reliant on this water for urban activities, environmental maintenance and productive use. The duration of the drought has negatively impacted the economic fabric within farming communities that now require a number of good seasons to correct their financial situations, from having to close down production or borrow to maintain production during these years.

Irrigators are still required to pay for fixed charges in years of little or no supplies.

Unless significant capacity can be found to reduce unscheduled storage releases (spills) or more storage solutions found in the system development will be limited.

A study into possible online storage solutions to complement existing infrastructure needs to be undertaken as means of enabling rainfall harvesting within the catchment and flood mitigation. The impacts of the last two seasons of floods have been financially devastating to the communities within this state and this water while providing some environmental benefit has invariably been lost down the system, immobilising salts and eroding river banks and structures.

While some in the community are concerned about possible environmental impacts of future developments we need to be able to manage water smarter as is the requirement on farm to do so the same principals or doctrine must be adhered to within the river and storage management systems.

b) models for determining water requirements for the agricultural, urban, industrial and environmental sectors,

Modelling population growth within the State is undertaken regularly by government departments. Unless future consumers believe that their consumption needs are best catered for by imported goods New South Wales is better served environmentally, economically and physically by producing food in this country.

A great deal of modelling of the production in this state has been undertaken via the Murray Darling Basin Authority and it would be a worthwhile exercise to review this material to assist any determination of water requirements.

c) storage management practices to optimise water supply to the agricultural, urban, industrial and environmental sectors,

Storage management remains very challenging due to climate variations. More predictive models of weather need to be utilised to reduce potential wastage. If better technologies in forecasting and ordering of consumptive water is coupled with online storage methods changes directly related to climate change losses can be minimised.

Within the Murrumbidgee Irrigation Area on line storages have been developed within the system to allow for storm water harvesting and to reduce possible waste by any reductions in requirements that may occur due to seasonal variations. Such systems can be employed cost effectively along the river systems downstream of existing storages.

d) proposals for the construction and/or augmentation of water storages in NSW with regard to storage efficiency, engineering feasibility, safety, community support and cost benefit,

Given the increases in electricity prices any future storage solutions must be accompanied by hydro-electricity generation capability. The technology is available but it requires investment. Perhaps with the privatisation of the electricity utility and the impost of carbon taxation investment from the private sector could be sought to develop more efficient means of making any future storage investment into a cost benefit for New South Wales.

If the government can show that without further storage solutions being put in place their future household consumption will need to be severely curbed. During the drought all households and particularly in the metropolitan regions were impacted by reductions in consumptive use. While such restrictions have been relaxed if they were knowledgeable that such measures would

become normal practice in the future without storage enhancement it is highly possible that community support for further development would ensue.

Many irrigators in this region have been led to believe that the Snowy Hydro Scheme was not fully completed at the time. The original plans for this scheme should be reviewed and revised based on current understanding and technology. Once this has been undertaken it would assist in the development of plans to complete the scheme using current technology and knowledge of how the existing system has operated. New South Wales cannot expect the existing infrastructure to continue permanently within redevelopment and remodelling.

e) water storages and management practices in other Australian and international jurisdictions,

Many other countries have continued to develop their irrigation storage infrastructure. A study needs to be commissioned that will identify these storages and the management practices. Site selection, community consultation, satisfaction and the consumption and environmental benefits of such development.

f) any other matter relating to the adequacy of water storages in NSW.

Currently more water is being purchased and stored for environmental purposes. Concern is real that the characteristics of this water may be altered over time to have a higher level of security than consumptive water for urban and productive use. Should such water be given a higher level of security and be allowed to be held in carryover the risk to productive users is that this water may impact on allocations of consumptive water.

Without sufficient storages in New South Wales the state will not develop further and could contract economically. Our economic future is not mining as this is not sustainable, however using the land to produce food and fibre that is not deleterious to consumers is where the future of this state rests.

Prepared by

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