INQUIRY INTO WATER AUGMENTATION

Organisation: Murrumbidgee Valley Food and Fibre Association
Date received: 10 August 2016
MVFFA represents business owners in the Murrumbidgee Valley. Many of our members are directly engaged in irrigated agriculture, producing a wide range of agricultural commodities. Our membership also includes those engaged in related businesses including processing, marketing and provision of professional services, from towns and cities within the Murrumbidgee Valley. Our focus is on water policy at all levels of government because the ecological, economic and social sustainability of communities like ours is dependent on how water is managed.

MVFFA welcomes this opportunity to submit to The Standing Committee Inquiry into the augmentation of water supply for rural and regional New South Wales. This inquiry is particularly relevant to our membership as our community is a purpose built irrigation community and our association focuses primarily on water policy.

We are currently celebrating over 100 years of irrigation and we are highly aware of the benefits and the pitfalls associated with managing the augmentation of water supply for regions like ours.
The Terms of reference for this Inquiry are:

a) investigate the requirement for a water equation (demand and supply out to the middle of this century) for rural and regional New South Wales
b) examine the suitability of existing New South Wales water storages and any future schemes for augmentation of water supply for New South Wales, including the potential for aquifer recharge
c) review the NSW Government’s response to the recommendations of the June 2013 report by the Standing Committee on State Development on the adequacy of water storages in New South Wales
d) examine the 50 year flood history in New South Wales, particularly in northern coastal New South Wales, including the financial and human cost
e) examine technologies available to mitigate flood damage, including diversion systems, and the scope of infrastructure needed to support water augmentation, by diversion, for rural and regional New South Wales
f) examine social, economic and environmental aspects of water management practices in New South Wales and international jurisdictions, including the following case studies: i. Broken Hill town water supply/Menindee Lakes system ii. South Western NSW water management practices iii. North Western NSW water management practices
g) the efficiency and sustainability of environmental water being managed by different State and Federal Government departments and agencies
h) the management, appropriateness, efficiency and reporting of: i. inter-valley transfers ii. conveyance and loss water iii. carryover iv. the management and reporting of the water market, and
i) any other related matter.
**Investigate the requirement for a water equation (demand and supply out to the middle of this century) for rural and regional New South Wales**

NSW Irrigators Council (NSWIC), in its request for information regarding a similar section in the ASW inquiry in 2012 found that:

“This has been an extremely difficult area to gather relevant information on. Contact with the NOW and State Water did not provide sufficient information to fully expand on this point:

*We are extremely concerned to learn that the Departments which have the responsibility for operating and managing the water resources in NSW, have not done significant modelling of, or planning for future water requirements in NSW.*

*The one sector which has incorporated some future planning is the urban water sector. Through the development of Strategic Business Plans, local water utilities have taken into account future needs for their area.*

*Unfortunately, the information which summarises the future demand for urban water has not yet been released.*"

MVFFA remains concerned that there is very little information available regarding water equations for the future from the relevant state departments.

Demand for secure water in urban/industrial and mining sectors is a relatively stable statistic. It is not a particularly difficult mathematical exercise to determine how much water will need to be sourced in the future to service our growing urban, industrial and mining sectors. The important question is where this water should be sourced and how it will be managed and upgraded to stay ahead of development and population increases.

Currently, these growing sectors are a competitor for existing storage space in our storages. This has led to a political and legislative ‘redefinition’ of the historical purpose of some of our larger water storage facilities in NSW, particularly in the Murray Darling Basin (MDB). This ‘redefinition’ has impacted on the ability to adequately supply the requirements of irrigated agriculture and even more particularly the requirements of broad acre irrigated agriculture in NSW which in turn is impacting production of food and fibre for human use and consumption.

There are other options to source urban, industrial/mining water requirements that include desalination, recycling and private rain water storage from extensive roof space and concrete runoff. All options should be examined and modelled for their short and long term benefits and their ability to securely store and supply the requirements of these sectors in a long term, cost effective framework. The extent of runoff from roof space, concrete, roads etc in urban areas is significant.

In the business of irrigated agriculture, water is a singular business input and delivery requirements will vary depending on commodity choices, prevailing weather, distance from source to paddock, the prevailing hydrological conditions of the catchment, cost benefits, international markets, interest rates, availability of excess supplies, improved management practices, and etcetera. This sector is highly vulnerable to changes in legislation and policy related to water access as the water requirements have specific timeframes attached to them as well as volumetric and quality requirements.
One of the major frustrations for irrigation dependent communities like the Murrumbidgee Irrigation Area (MIA) is the lack of understanding in the relevant legislative bodies that irrigation water is a business product or input (similar to fertiliser, fuel or chemical) and a requirement subject to many variables. The timing of access and the quality is just as important as the volumetric requirements. The ‘end product’ or ‘the marketable product’ is the food or fibre product...not the water (or the fertiliser etcetera).

A further frustration is that modelling needs to be regularly updated with ‘real time’ data if it is to be used successfully and realistically as a management tool. Otherwise it is becoming increasingly evident that poor decisions will be made, resulting in the waste of storage capacities. An overriding consideration in modelling and water management is that it needs to be current and flexible when considering Agricultural and Environmental requirements. These two sectors differ from the others in this regard.

There is another ‘equation’ that needs attention in water management in NSW. This is equally pertinent to other sections in this inquiry, particularly f, g and h. This equation is more about the number of departments and entities involved in water management in rural and regional Australia as well as other bodies with a NSW legislative monopoly. We have attached an article written by Debbie Buller (President of MVFFA) and Helen Dalton (Member of MVFFA and President Griffith Branch of NSWF) that highlights this particular equation. (Attachment one)

As a further note on this issue, for many years MVFFA has been trying to highlight the alarming, counterproductive and counter intuitive disconnection that has developed between Natural Resource Management (NRM) and Agriculture at the NSW regulatory level. Instead of working together in land and water management, these departments are often working in direct competition with each other and competing for funding and community attention. Ideally, NRM and Agriculture should work together as the agricultural sector is populated with those who have generational knowledge of best practice land and water management and whose livelihoods depend on being responsible custodians of land and water. Australian agricultural communities have always worked hard and successfully to deliver on community and consumer expectations.

Examine the suitability of existing New South Wales water storages and any future schemes for augmentation of water supply for New South Wales, including the potential for aquifer recharge

With present management that overwhelmingly favours a cap on the capacity for capture and storage in NSW, this state cannot realistically plan to participate in the much touted and anticipated national growth in food and fibre production. There is insufficient storage to encourage further agricultural development and also offer security to industry, environment and critical supplies. There are competing demands on our existing storages that are presently squeezing out irrigated agriculture in NSW. Those competing demands will increase with urban/industrial development, mining development and political expectations for the environment.

For NSW to grow or even maintain agricultural productivity in the face of increasing internal and external demand, NSW needs to investigate ways to increase storage capacity for Agricultural purposes and NSW must definitely start including water management strategies
that are designed to support the long term viability of irrigated Agriculture in NSW. At present, NSW water rules and regulations are not helping to maximise NSW’s ability to participate in the benefits that will be derived from the anticipated future export dollars supplying Asia with food and fibre. NSW irrigators are an extraordinarily talented, cooperative and resilient demographic. The missing link is up to date, relevant water management and water regulations by various different State authorities. DPI has set a goal of increasing Agricultural productivity by 30% by 2020. If some sensible and responsible strategies were implemented in water management in NSW, this worthy goal could definitely be within DPI NSW’s reach.

MVFFA’s position on this section has not altered greatly from our position in 2012 when we submitted to the AWS inquiry:

“This particular issue has been simmering and festering at the bottom of a rather dysfunctional debate about our stored/regulated water resources for a minimum of 30 years in NSW. MVFFA welcomes the opportunity to comment on this issue.

From the perspective of MVFFA’s membership, changes in storage management practices and regulatory legislation have been primarily a politically based process which has seen the historical purpose of our major storage facilities undergo a radical and mostly impractical/unrealistic redefinition. This appears to be driven by a lack of ‘political will’ to source extra storage to supply increasing demands on our secure storages. An emotionally charged debate has been raging about the level or order of ‘priority’ that should be assigned to competing demands which are sometimes called ‘vested interests’. This debate has not just raged in NSW, it is also raging in the federal political arena.

MVFFA would rather not get involved in such a complicated and political debate as it has demonstrated a lack of practical and useful outcomes or results for what our members regard as a relatively simple problem.

Our submission and our questions would relate directly back to the terms in this section. What are the requirements of all these sectors and do we have enough secure water access to supply them?

If the rhetoric, the politics and the ideologies are omitted from an answer to this question, MVFFA would submit that the answer to the second part of that question is a resounding NO!

Our existing storage facilities were clearly built as human and community resources to mitigate problems associated with our drought prone climate. MVFFA would submit that any attempt to redefine the purpose of these storage facilities without also upgrading them is doomed to fail, as that approach requires a ‘trade off’ between sectors and also requires the storages and regulatory systems to supply requirements that they simply were not designed for.

Flood mitigation, environmental flows and increasing urban/industrial/mining demands have all been demonstrated as quantifiable demands, but our existing storage capacities were not designed to cater for, or adequately supply these added requirements. If we are to successfully optimise the supply of water to these different and developing sectors in the future, MVFFA would submit we need to upgrade our existing storage capacities,
rethink our management principles, take care of water quality and source extra storage options.

MVFFA is aware of the existence of numerous proposals for the construction and/or augmentation of water storages in NSW. MVFFA is also aware that this inquiry will receive some detailed submissions that refer to such options dating from the Snowy Hydro Scheme to the present day.

There is no shortage of acceptable technical, engineering or long term cost efficient options. Neither is there a shortage of excess flows that could be captured and used for the benefit of all community expectations and demands, including the relatively recent demands based on concerns about clean energy and the environment.

MVFFA submits the lacking ingredient in NSW water policy and water management for approximately 30 years is a lack of ‘political will’ and perhaps ‘political foresight’ to sufficiently investigate these options in terms of their benefits to the long term prosperity of NSW.

MVFFA also submits that information regarding proposals for the construction and/or augmentation of water storages should not have the timeframe of this particular inquiry attached to it. If the State Government of NSW is serious about options and proposals for upgrading existing storages and constructing more storages, it will take some time to overcome the serious time gap that has developed in the relevant departments.

The NSW departments which are currently administering water policy have not been directed to work in this area or directed to model anything related to new storages or upgrading storages for many years. While relevant information is undoubtedly archived in NSW, much of it will need to be updated and upgraded in line with new technologies, changed community expectations and modern safety and costing methods.

MVFFA does not have the expertise or the resources to supply specific information but is fully aware that it exists and would encourage this inquiry to direct the relevant departments to find it and update it within the terms of reference that guide this inquiry.

This organisation would also submit there is plenty of supplementary evidence available to qualify the long term benefits that can be achieved by upgrading existing storages or constructing new ones. Our community (MIA) is a living example of many of those benefits. We have attached (as an appendix 1) a summary of some of the benefits for NSW that are returned by only ONE of the many industries that are underpinned by securing reliable water storages. This exercise can easily be repeated throughout the Irrigated Agricultural sector, as well as other urban/industrial/mining developments that need to be underpinned by secure access to water.”

There are good things happening in the MIA but it could be so much better if we were supported by sensible, modern and practical State Water management policies, rules and regulations.
Review the NSW Government's response to the recommendations of the June 2013 report by the Standing Committee on State Development on the adequacy of water storages in New South Wales

The AWS inquiry, tabled in June 2013, was thorough and contained many sensible recommendations. Very unfortunately, it appears to those of us who live and work in rural NSW that this report has just been gathering dust somewhere in the halls of Government. It's surprising and disappointing that the NSW Government has made some quick decisions about the greyhound industry based on one commissioned report yet cannot seem to see its way clear to do the same in land and water management. To our knowledge, no recommendations from the 2013 AWS report have been advanced. There is no lack of evidence that some serious re-organising and streamlining of governance and competing interests is necessary in NSW water management.

Examine technologies available to mitigate flood damage, including diversion systems, and the scope of infrastructure needed to support water augmentation, by diversion, for rural and regional New South Wales

GCC (Griffith City Council) has prepared quite specific and detailed information regarding section d). MVFFA concurs with GCC on all aspects. Flood damage is not unusual in our land ‘of drought and flooding rains’ and flood mitigation technology is very important for the well-being of rural and regional NSW. Damage from flooding runs into the $billions.

We attach for your information, further articles written by Debbie Buller and Helen Dalton that cover some of the issues highlighted in sections e), f), g) and h)."

MVFFA commends this committee for asking for information on these issues but MVFFA would submit that there is no shortage of information, solutions, projects and submissions on all of these. Many of our members have grown tired and frustrated by having to continually repeat themselves over and over again that our current water management systems are in serious need of updating, upgrading and overhaul. It is very disappointing that the relevant NSW departments chose to simply roll over the 2004 WSPs in June 2016.

The current WSPs (rolled over in June 2016) have spent much of their life suspended. They were implemented in 2004 when inland NSW was already at least 2 years into the millennium drought. They were suspended in Nov 2006 and were not re-instated until 2011. Between 2010 and 2012, most of our inland systems were in flood and therefore there was no shortage of supply. Despite this, GS irrigators were still not able to access their 100% of entitlement until December in those years of plenty. We have attached a small table from the then NSW Office of Water (now DPI Water) that shows the Available Water Determinations (AWD, still better known as water allocations) in those years. (Appendix 2 below) It has therefore only been since 2013 that we have had the ability to judge the WSPs in anything that we could define as an average season. Unfortunately, we find that they are not delivering on stated outcomes right across the triple bottom line and are in fact hindering our ability to maximise our contribution to the state of NSW. Some of the major problems have been further exacerbated by several tweaks, alterations and re-interpretations that were made circa 2008, right in the middle of the drought and in a knee jerk reaction to the drought and the introduction
of the Federal Water Act 2007. Most of these tweaks, alterations and re interpretations seem to be more about the management managing the system for the benefit, ease and safety of the management rather than anything to do with serving the public, the paying customers or indeed the future prosperity of the State of NSW.

Since the formation of the 2004 WSPs much has happened in the management of water which renders a large swathe of the current NSW rules and regulations to be basically redundant and counterproductive. The NSW Government is now the largest water holder in NSW with over 700,000 ML of licenced water entitlement that was either created or purchased. As well as the licenced entitlement, the NSW Government, through several different entities, has stewardship and management of significant parcels of water that include rules based environmental water, voluntary contributions, conveyance, loss, transparent flows, translucent flows, dilution flows, reserves, critical supplies and etc. Added even further to that, since 2007, the Federal Government now owns even more water entitlement under the broad justification of environment and maintaining river health. The overriding mindset of the departments who are in charge of this water is to put as much stored water as possible on top of ‘freshies’ or wet sequences. This mindset and management principle is in direct contradiction to the original purposes behind building our storage and regulatory systems. The outcome from most of this behaviour and most of the rules in the NSW WSPs is that even in average to above average seasons, communities like ours are unable to maximise their contribution to the State. The rules do not require departments like OEH to be accountable for their use of water and we have a growing list of examples where water has been senselessly wasted and has actually created environmental damage. Menindee Lakes and the Lower Darling are a stark and obvious example but far from the only example of the outcomes from this overriding mindset. The management of Menindee and the Lower Darling in 2013/14 created a triple bottom line disaster. In our valley, precious water resources are wasted for no measurable environmental benefits as water is just let through our storages based on out of date rules and regulations that do not take into account dam levels or downstream conditions. Water is also put in places that are not connected to the rivers or the riverine landscapes at all.

Carry Over rules, Inter Valley Transfer Rules and Water Market Rules are all creating further complications and unnecessary roadblocks. Many rules have been re interpreted by the State Government. As well as being the largest water holder in NSW, the NSW State Government is in charge of all the rules and regulations, implements all the water trade rules, IVT rules and infrastructure rules and it holds a legislative monopoly over the delivery systems and the water infrastructure. There is a serious governance issue developing that would not be allowed to occur in the private sector. Because there has been a progressive separation of powers along with the implementation of further rules and regulations it is almost impossible to hold any department to account for poor decisions or to consult for sensible, practical updates and changes. The amount of ‘buck passing’ that occurs in land and water management in NSW is becoming ridiculous. We are always, always told that whatever the issue is, it’s some other department’s responsibility.

In summary, for sections e, f, g and h, the general feeling amongst MVFFA membership is that progressive state water policy that has been based on the NSW Water Management Act and further influenced by the Federal Water Act 2007, has been a negative, parochial, and counterproductive experience. It has primarily focused on rules and process for bureaucratic purposes and arbitrary numbers with very little focus on achieving mutually beneficial
outcomes for the economy, rural communities or our iconic wetland environments. New rules and regulations exhibit an inflexible and risk adverse mindset which has failed to allow for opportunities to be fully realised in above average seasons. Most of the policy initiatives lack vision and they also lack ‘possibility thinking’. Consequently, for at least twenty years, our area has been subject to negative political rhetoric, uncertainty and the arbitrary removal of sustainable water resources. The result has been that producers in valleys like the Murrumbidgee Valley have been unable to maximize their contribution to NSW’s and Australia’s GDP.

The process of ‘water reform’ in NSW has not recognised that from about the 1970s, NSW irrigators have led water reform or that irrigation businesses have adopted efficient and best practice methods. Approximately 6000GL of water resource has been committed for other use, including the environment, by irrigated Agriculture in the last four decades. Australian irrigated agriculture is recognised worldwide as innovative and efficient. Returns per ML are amongst the very best in the world.

The process of consultation with the end users of consumptive water and hence those who will shoulder the long term financial burden of changing water policy, has been confusing, parochial, divisive, often exclusive and negative. In short, the general feeling is the consultation process has not been genuine as the stakeholders who have the most to lose and who will be left to pay, have been largely ignored in favour of a ‘tick the box’ approach and ‘round table conferences’ with organisations and departments that appear to have been somewhat conflicted in their consultative approaches due to a part reliance on government funding sources. These organisations are generally not the actual end users of consumptive water but rather paid intermediaries associated with delivery, Government infrastructure, marketing, trading and commodities.

This process has mostly resulted in an exponential increase in bureaucracy at all three levels of government: local, state and federal, which is paradoxically juxtaposed with less productive water to manage and fewer paying customers. It has resulted in higher input costs for water users and a failure of our water management authorities to be transparent and accountable. Data related to water resources, environmental flows, translucent flows, delivery constraints, storages, inflows, outflows, allocation announcements, historical rainfall patterns and historical delivery patterns has become increasingly difficult to access and independently assess. While irrigation businesses are expected to account for and pay for every single drop of consumptive water, they have watched some examples of profligate waste of public water resources apparently for political PR purposes and not for measureable and independently assessable socio, economic and environmental purposes.

In an ill-advised attempt to create centralised rules and regulations for our water resources that are largely based on producing averages and relying on international treaties, this process has failed to recognize the need for flexibility in our highly variable Australian climate which is aptly described in the iconic Australian poem as: “A land of drought and flooding rains”
**Any other related Matter**

Although not specifically mentioned in the TORs for this inquiry, MVFFA submits it is paramount for the NSW State Government to recognise the influence of the political rhetoric around the Coorong, the Lower Lakes, the Lower Murray and the Murray Mouth in South Australia. It has become evident that the majority of the environmental damage in the Coorong and at the Murray Mouth was caused by decisions in SA. The main problem is that the SA government drained the South East of South Australia and directed thousands of Gigalitres of surface and ground water away from the Coorong and the Lower Lakes. The second issue is that the SA government has shut down the natural estuarine conditions at the bottom of the Murray system by constructing the barrages. It would not matter if we tipped all our stored water resources into the Lower Murray every single year, it would not repair the damage in the Coorong. Water does not run uphill naturally, it can only be forced that way. Trying to force water into the Coorong by artificially raising levels in the Lower Murray is actually creating more environmental damage to the whole region and is not helping the Coorong.

MVFFA is aware of many different technical solutions to help mitigate the environmental damage in the Coorong, the Lower Murray and the Lower Lakes. What is lacking, once again, is the political will to thoroughly research the best options. If the NSW State government is not prepared to help the South Australian Government to overcome these issues, all that can happen is that the NSW state government will be continually pressured to keep sending more and more water down the system, at the expense of vibrant and productive inland NSW communities and their environments.
Appendix 1 to the MVFFA Submission

A Summary of the benefits for NSW returned by one of the many industries underpinned by securing reliable water storages

The Australian Rice Industry

Rice was first grown in Australia in the early 1920’s - near the townships of Leeton and Griffith in the New South Wales Riverina.

Today the rice industry encompasses the Murray Valley of NSW and Victoria and the Murrumbidgee Valley of NSW. Prior to the drought, when water allocations allowed, around 150,000 – 160,000 hectares are sown to rice in October of each year across this region producing an average of around 1.2 million tonnes of rice annually. In the last two seasons, production has returned and around 100,000 hectares were sown in October and harvested in April/May 2012 with a yield of 960,000 tonnes.

Australian rice yields average 10 tonnes per hectare (t/ha) with an average yield of 11 t/ha in 2010 to 2016. According to the United Nations Conference on Trade and Development (UNCTAD), Australia is classified as the most efficient producer of rice in the world.

The Australian rice industry is also a world leader in water usage at 12 megalitres per hectare (ML/ha) with the world average being 15 – 20 ML/ha with some countries using upward of 50 ML/ha.

The industry has a farm gate value of around $250 million and total value (export earnings, value-added) of over $1 billion. Including flow-on effects, it is estimated that the industry generates over $4 billion annually to regional communities in New South Wales and to the broader Australian economy.

Rice growers have individually invested over $2.5 billion in land, water, plant and equipment and collectively invested around $400 million in mill storage and infrastructure through Ricegrowers’ Limited (SunRice) and the Rice Marketing Board of NSW (RMB). The industry is the backbone for our regional communities and, prior to the drought, generated around 21% of total regional income and 18% of total regional employment.

The Australian industry, while small by world standards, is a competitive supplier of quality packed and branded rice products into world markets. It has achieved this through the vertically integrated marketing arrangements owned and managed by the rice growers’ company, SunRice.

The International Trading Environment for Rice

Rice is the world’s most important basic food staple. Although there is significant world rice production at around 464 million tonnes, less than 7% of the volume produced is traded as most rice is consumed within the country of origin. Due to its importance to food security, many countries classify rice as “sensitive”. Rice continues to be the highest protected commodity with continuing high tariff rates.

Due to drought conditions since 2002-3, Australia’s position in the world rice industry has varied. In more favourable conditions of water availability, Australia contributes about 0.2% of global rice production. World paddy production from 2011/12 is shown below:
World paddy production 2011-12

Country Million paddy tonnes produced % of World production China 140.7 30.3% India 103.4 22.3% Indonesia 36.32 7.8% Bangladesh 34.0 7.3% Viet Nam 26.7 5.8% Thailand 27.6 6.0% Myanmar 10.8 2.3% Philippines 10.6 2.3% Japan 7.6 1.6% United States 5.9 1.3% Australia 0.7 0.2% Other 59.6 12.8% Total 463.9

However, with less than 7% of global production exported, compared with up to 80% for Australia, the picture changes somewhat if only traded rice figures are considered.

World traded rice, 2011

Country Million milled tonnes rice % of World production Thailand 10.6 29.4% India 4.6 12.7% Viet Nam 7.0 19.4% United States 3.2 8.9% Pakistan 3.4 9.4% China 0.5 1.4% Australia 0.3 0.8% Other 6.5 18.0% Total 36.1

Australian rice is recognised worldwide for its high quality and is demanded by the higher priced international markets. The Australian rice industry is the most efficient in the world, operating without any production or export subsidies — unlike most of its major competitors. Australian rice competes in international markets, against subsidised product.

With its registered office in Leeton in the Riverina and operations across Australia and around the world, SunRice employs 1,149 highly skilled and qualified people in Australia and an additional 953 overseas. More than 81% of SunRice’s Australian workforce is based in New South Wales (936 employees).

SunRice is a fully vertically integrated company, taking a “Paddock-to-Plate” approach which sees it steering New South Wales rice from the farm gate through milling, packing, conversion to value added products, and delivery to customers around the world. Group sales revenue exceeds $1 billion and SunRice markets close to 500,000 tonnes of branded rice annually to supermarket shelves in around 60 countries.

The experience of SunRice in competing in the global rice market during the drought, without significant New South Wales crops, has reinforced the importance of the competitive advantage of clean, high quality New South Wales grown rice.

Australian grown rice delivers a price premium over its global competitors due to two major reasons:

Australian grown rice has very favourable perceptions amongst consumers in several key markets. This is due to the favourable perceptions of Australia as a good country for growing food as well as the quality of Australian rice, driven by our varietal development and processing infrastructure.

Branding of New South Wales rice by SunRice has added considerable value to the exports. SunRice’s brands have very strong recognition in key markets and can achieve a premium over competitor product. This has allowed SunRice to maintain some premium in markets over the last few years despite competing with traded rice from competitor countries.

The average price premium which was achieved for the 2010/11 crop was $37 million. This reflects the return of a larger Australian rice crop, with the majority of SunRice’s sales into export markets coming from New South Wales rice.
Higher yield returns from more productive and quicker maturing varieties are improving grower returns and reducing water usage, benefiting both New South Wales rice growers and the environment.

**Benefits to the Region**

Through its employment of over 936 skilled and qualified people in NSW, SunRice helps sustain the industry and regional communities across the Riverina.

Further, a substantial part of the income generated by SunRice from overseas markets is paid as paddy price or dividends on the growers and shareholders in the Riverina, which is in turn spent or invested in the region.

For example, SunRice’s activities in 2011/12 led to the employment of more than 200 new employees, significant local infrastructure upgrades and the reestablishment of regional supply relationships. Including the 2011/12 dividend and paddy payments, this represented an injection of approximately $300 million into the regional communities that the rice industry supports.

SunRice also directly supports regional communities in many ways including:

- Providing employment and training to employees from local communities or those who are willing to live in these communities
- Providing opportunities to smaller local business that supply goods and services to SunRice
- Sponsoring community groups, social programs and events, for example, the Leeton SunRice Festival is a bi-annual event and raises awareness of the rice industry and its impact on the local and regional community, as well as supporting charitable fundraising through the SunRice Ambassador event
- Funding research into rice and agriculture in the region.

In 2011/12, SunRice provided assistance to a range of community programs and events, including the Leeton SunRice Festival, the Murrumbidgee Centenary of Irrigation, the Ricegrowers’ Association of Australia Annual Conference, Deniliquin Ute Muster and a range of education, sporting and community associations.

This deep involvement in the community means that the company has strong ties in regional Australia and the people who live in the Riverina.

SunRice also contributes to charities across Australia via its sponsorship of Foodbank Australia, and contributes important food aid in the US and across the Pacific in times of crisis via its global network.

The Australian rice industry is almost wholly encompassed within NSW. It supports the major regional communities of Griffith, Leeton and Deniliquin, as well as many smaller, but no less important communities, like Coleambally, Finley, Hay and Wakool.
### Appendix 2 to the MVFFA Submission

Table from NSW of Office of Water 2013

Murrumbidgee Regulated River Water Source

Regulated River (General Security)

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Appendix 3 to the MVFFA Submission

Women For a Living Basin Facebook

Please refer to the Women For a Living Basin Facebook Page for more information relevant to this submission.

https://www.facebook.com/women4livingbasin/