

INQUIRY INTO FLOODPLAIN HARVESTING

Organisation: Ricegrowers' Association of Australia Inc

Date Received: 12 August 2021



**RICEGROWERS' ASSOCIATION
OF AUSTRALIA INC**

**SUBMISSION TO THE SELECT
COMMITTEE ON FLOODPLAIN
HARVESTING – INQUIRY INTO
FLOODPLAIN HARVESTING**

August 2021

INTRODUCTION

The Ricegrowers' Association of Australia (RGA) welcomes the opportunity to participate in the Select Committee on Floodplain Harvesting – Inquiry into Floodplain Harvesting. This submission is in response to the Inquiry's Terms of Reference. The following advice is provided on behalf of RGA's Water Committee, which is comprised of our members from the Murray and Murrumbidgee Valleys.

1. THE RICEGROWERS' ASSOCIATION OF AUSTRALIA

The RGA is the collective voice of rice growers in Australia. The RGA represents the interests of around 1200 voluntary members. The main objective of the RGA is to provide members with strong and effective representation on issues affecting the viability of their businesses, their communities and their industry.

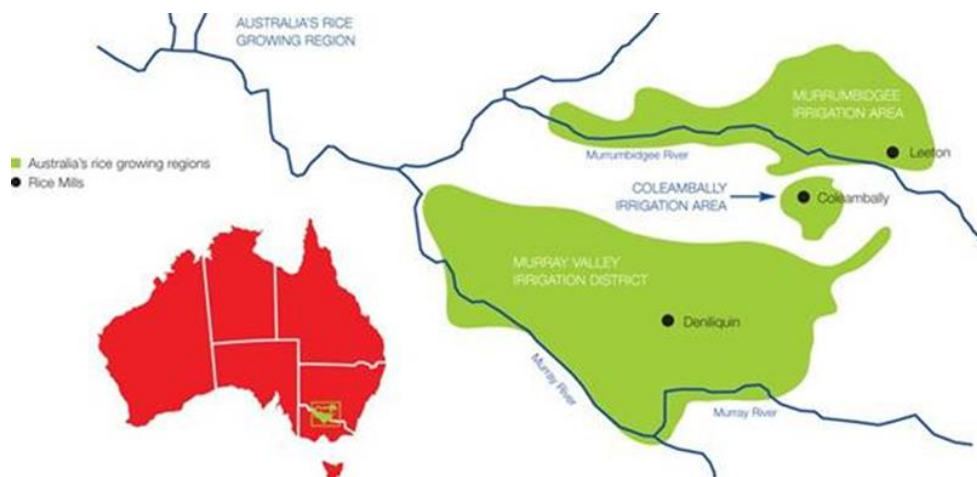
The RGA is made up of eight branches located across the Riverina rice growing regions of NSW. Each branch annually elects representatives to form the RGA Central Executive. The Central Executive represents their respective branches in determining RGA policy and projects.

The RGA is a member of the National Farmers' Federation, National Irrigators' Council and NSW Irrigators' Council.

2. THE NSW RICE INDUSTRY

The NSW rice industry is located predominantly within the Riverina region of south-west NSW, with a small industry also situated in the Northern Rivers region of northern NSW.

The NSW rice industry is reliant upon irrigation, mainly sourced from the Murray and Murrumbidgee Valleys. Provided water is available, the NSW rice industry is considered one of the world's most successful rice growing industries, delivering significant yields while leading the world in water use efficiency.



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 NSW rice industry is also a world leader in water usage at 12 megalitres per hectare, with the world average being 15 – 20 megalitres per hectare, and with some countries using upward of 50 megalitres per hectare.

In a typical year the rice industry produces around eight hundred thousand tonnes of premium paddy rice with a farm gate value of around \$350 million. The total industry value is well over \$1 billion each year. This makes the rice industry a significant economic contributor to the Riverina region of NSW. In particular, the towns of Griffith, Leeton, Coleambally, Finley, Jerilderie, Deniliquin, Wakool and Moulamein are all highly dependent upon rice production for their social and economic wellbeing.

Reliable access to water, that matches what licence-holders are legally allowed to draw upon, will always remain fundamental to the ongoing success of NSW's rice industry.

3. THE RGA'S POSITION

KEY MESSAGE/S:

- Floodplain harvesting (FPH) must be licensed and metered, in order to keep this form of take within the new, legally enforceable, Basin Plan Sustainable Diversion Limits (SDLs).
- Some form of regulation is required as a 'necessary first step' towards achieving this aim.
- While significant technical work has been undertaken to improve the understanding of historical FPH levels, moving this form of take into a licensed/metered framework hasn't yet been tested in real-time.
- Similarly, while hydrological connectivity is noted as a core NSW management principle, work to update downstream flow targets is ongoing, and therefore hasn't been tested against licensed FPH.
- Given the above, licensing of FPH must allow for continuing improvement, as our understanding improves, to ensure the principle of no third-party impact can be continuously met.
- This will ensure FPH is a sustainable form of take, that is clearly backed by fit-for-purpose regulation.

As articulated by the parameters of the Select Committee's inquiry, the RGA's submission is largely based around the specific Terms of Reference (ToR) that have been set out:

That a Select Committee be established to inquire into and report on the Government's management of floodplain harvesting, including:

(a) the legality of floodplain harvesting practices;

(b) the water regulations published on 30 April 2021;

(c) how floodplain harvesting can be licensed, regulated, metered and monitored so that it is sustainable and meets the objectives of the Water Management Act 2000 and the Murray-Darling Basin Plan; and

(d) any other related matter.

More generally, we observe there's a bigger policy picture, against which the ToR should be set.

Firstly, RGA notes that a standard definition of floodplain harvesting (FPH) has existed under the NSW water management framework for almost 20 years.¹ It isn't our intention to dispute this definition here. We do note, however, that the formal adoption of this definition within NSW legislative compliance arrangements has been extremely slow, especially when compared to the roll-out of licensing and metering in NSW valleys located in the southern Murray-Darling Basin. These valleys have been subject to compliance arrangements – with an associated reduction in consumptive water use – since the formal commencement of the Murray-Darling Basin Cap in 1995.

¹ NSW Government, *Advice to Water Management Committees, No. 3 Floodplain Harvesting*.

From this vantage point, it can be reasonably argued that southern NSW irrigators have experienced clear, legislated restrictions on the growth of their water-use for almost 30 years. From the outside at least, it would seem that there's been no serious efforts to apply similar restrictions in northern NSW and southern Queensland until commencement of the Murray-Darling Basin Plan in 2012.

This would understandably raise questions about the way water-use limits have been defined and applied across NSW, especially given the supportive information for northern valleys is still evolving.

Unfortunately, this appears to have set up some stark differences in the NSW Government's approach to managing its share of the Murray-Darling Basin's resources. In the southern valleys, questions about the sustainability of water use, and the public reporting of compliance scrutiny, have been revisited and revised for decades.

In many ways, the journey of the northern valleys is just commencing down this path.

This is also occurring in a significantly changed physical environment, where observed rainfall patterns are not what they once were; however the suite of policy requirements remain fixed, especially for NSW's obligations to South Australia under the Murray-Darling Basin Agreement and Basin Plan.

This is where concerns and perceived risks about third party impacts rise most strongly.

In this setting of incomplete and untested information, yet with very clear and ongoing interstate water demands, most irrigators in southern NSW currently can't determine – to their own level of satisfaction – that FPH will be licensed and measured in a way that ensures sustainability whilst also guaranteeing that there are no third party impacts to the licenses that they hold.

We agree that this is why regulation is needed; however it must better clarify the NSW Government's intent with regard to these two matters.

Also of concern has been the significant, and continued information gap around how the NSW Government intends to apply state-wide, any legislative measures it implements to licence and monitor FPH. In particular, there should be no negative impact on the current, highly effective provisions already in place under state environmental law that require irrigators to retain on-farm, 'tailwater' that has run-off irrigation fields. Arrangements that ensure this must be clear, simple and understandable, and prepared with proper consultation of all potentially impacted water users.

As outlined in more detail below, the RGA's position on FPH is firmly driven by the spirit of equity, fairness and transparency. We must be confident that the principle of sustainable water use is being applied consistently across NSW, and we must have access to the data that allows us to ensure to our members that this is the case. Unfortunately, at present, this remains a challenging task.

3.1. The Legality of Floodplain Harvesting Practices.

KEY MESSAGE/S:

- RGA is unable to comment on the legality of FPH.

As we have noted above, information about FPH as a form of take continues to improve overtime. Similarly, RGA anticipates continued improvements in our understanding of the connectivity of northern valleys with the southern Murray-Darling Basin as a whole. To a certain extent, all of this is likely to change again as we move from a predominantly modelled approach to FPH, to one that is more firmly based on licensing, metering, monitoring and annual Basin Plan assessment.

In the meantime, we should all expect some level of ongoing confusion, and potential concern, around this form of water take. This confusion may come from: uncertainty about how much of the available water in northern NSW is captured by FPH; or whether the current best-estimates of this volume are sustainable and therefore legal; or how FPH may impact on, or reduce flows into southern NSW.

As our understanding of FPH continues to improve overtime, it's important that this be done in a way that also allows for all potential third-party impacts to be thoroughly and transparently interrogated. This will go a long way towards addressing existing concerns about how water is allowed to move through the system, from northern NSW to the valleys in the south.

It's reasonable for all licence holders to be able to assure themselves that the volume of water they have access to through their licences will not be reduced through the operation of other forms of take.

To support this, long-term testing and review will be needed to confirm formalised FPH arrangements are adequate for: (i) protecting catchment connectivity; (ii) protecting end-of-system flows and downstream users; and (iii) ensuring fair contribution to whole-of-system obligations under the Murray-Darling Basin Agreement and the Basin Plan.

3.2. The Water Regulations Published on 30 April 2021.

KEY MESSAGE/S:

- The regulations published on 30 April 2021 essentially failed because they didn't clearly specify a NSW Government intent to deliver equity, fairness and transparency for all inland NSW irrigators.
- Despite this, some form of regulation is still needed to appropriately license and measure FPH.
- The dual intents of 'continuous improvement' and 'no third-party impact' must be clearly specified to ensure FPH regulation is fit-for-purpose.

One of the benefits of the most recent disallowance is that it's sparked a commitment from the NSW Parliament to conduct a thorough investigation into the broader issues and concerns surrounding FPH. Ideally, this will lead to a more fit-for-purpose approach, that allows for improvements to be made overtime, and includes all of the water users that have the potential to be impacted.

In order to more fully align with RGA's strong, ongoing preference for policy that's equal, fair and transparent, we would be looking for consistency across the state around: (i) extraction limits that are easily recognisable as compliant with Basin Plan SDLs; (ii) uniform expectations for metering and its associated implementation costs; and (iii) adequate protection of downstream flows.

Specifically related to the above, the proposed 500% account limit for FPH is of some concern and we expect will require further testing. If it goes ahead, its operation will need to be closely monitored, to ensure there is no third-party impact. The protection of downstream flows, for all water users, must also be guaranteed.

Also relevant here, the implementation of any state-wide regulatory approach that captures rainfall run-off as well as FPH must be clear and unambiguous, and allow our members to continue to meet their obligations under state environmental legislation, in the same way that they always have.

3.3. How FPH can be Licensed, Regulated, Metered and Monitored so that it is Sustainable and Meets the Objectives of the Water Management Act 2000 and the Murray-Darling Basin Plan.

KEY MESSAGE/S:

- In order to account for FPH as a sustainable form of take, consistency is needed across NSW around:
 - extraction limits that are easily recognisable as compliant with Basin Plan SDLs;
 - uniform expectations across the state for metering and its associated implementation costs; and
 - adequate protection of downstream flows.
- In addition, any new state approach that attempts to regulate rainfall run-off as well as FPH must allow for existing land and water management practices in southern NSW to continue as they always have.

RGA is supportive of the following approach to license, regulate, meter and monitor FPH:

Extraction Limits that are Easily Recognisable as Compliant with SDLs.

- Water use in relevant valleys must be demonstrably compliant with SDLs. To all interested observers, it must be clear that water use in these valleys equals allowable use.
- We must be confident in the restrictions on any growth in FPH take through an increase in the size of infrastructure in order to increase the volume of take. For example, this could be explicitly regulated through Individual Daily Extraction Limits.
- We should also be able to consider the implications of a reduction to the volume of FPH account limits from 500%, to for example 200%, to see if this better aligns with other forms of take.

Uniform Expectations for Metering and its Associated Implementation Costs.

- There must be a high level of accuracy and integrity in the metering system that is applied to FPH. Associated standards and implementation expectations must match what's required in the south.
- There should be no cross-subsidisation of the costs of either FPH meter implementation or policy implementation by valleys that don't benefit from FPH as a form of take.

Adequate Protection of Downstream Flows.

- In unregulated systems, low flows and first flush events must be protected. In regulated systems, end-of-system flow targets/requirements must be formally recognised and included.

In addition, any new state-wide regulatory approach that attempts to capture rainfall run-off must be clear and unambiguous, and allow our members to practice the principles of good land and water management in the same way they always have.

The RGA supports the capture and use of rainfall water that has run off an 'irrigation field' as a consequence of rainfall on an individual's property. It is critical that this practice be considered legal to ensure compliance and alignment with the obligations placed on landholders by the *Protection of the Environment Operations Act 1997* – which requires landholders to retain on-farm, all water that has run-off irrigation fields.

The RGA also believes that rainfall run-off water should, however, be metered in the situation where a person is also capturing FPH water at the same time. Where this occurs, it should only be allowed in accordance with a licence and an appropriate meter.

4. ANY OTHER RELATED MATTER

RGA notes that, since the most recent set of regulations have been disallowed, there has been no public information put forward by the NSW Government on what it intends to do next. It's also unclear how Government will draw upon the Select Committee's current inquiry into FPH. This represents a concerning policy/process gap that we would like to see addressed as a matter of urgency.

As noted elsewhere in this submission, RGA would suggest that in order to garner state-wide support, any proposed future regulation for FPH must:

- Confirm that the NSW Government intends to take a whole-of-system approach to addressing both the connectivity of system flows, and NSW's interstate obligations under the Murray-Darling Basin Agreement and the Basin Plan.
- Provide for adequate and transparent long-term testing and review, noting that extraction limits may need to be adjusted overtime to ensure better compliance with Basin Plan SDLs.
- Refer to and support detailed stakeholder consultation for all irrigators in inland NSW, in a way that allows them to confirm that the principle of no third-party impact is being continuously met.

5. CONTACTS

For further information please contact:

Rob Massina
President

Linda Christesen
Manager – Water Policy