

**Submission
No 150**

INQUIRY INTO FLOODPLAIN HARVESTING

Organisation: Victorian Farmers Federation

Date Received: 23 August 2021



Ms Cate Faehrmann MLC
Chair
NSW Legislative Council Select Committee on Floodplain Harvesting
Parliament House, Macquarie Street
Sydney NSW 2000

23 August 2021

Dear Ms Faehramann,

RE: Submission to the NSW Legislative Council Select Committee's Inquiry into Floodplain Harvesting

The Victorian Farmers Federation (VFF) Water Council welcomes the opportunity to put forward this submission to the NSW Legislative Council Select Committee's Inquiry into Floodplain Harvesting.

The VFF Water Council is the peak representative body for irrigation farmers in Victoria. We advocate for Victorian farming communities on water issues and represent Victoria in the water policy debate at a national level within bodies such as the National Farmers Federation (NFF).

The VFF is concerned there remain historic issues in the Northern Basin around water management, compliance, floodplain harvesting and metering practices, and a lack of transparency. There needs to be strong rules in place around floodplain harvesting and these rules need to be enforced.

The VFF strongly recommends that the NSW Government take action to address these concerns because water use in the Northern Murray Darling Basin has third party consequences for water users in the Southern Basin including farming communities in Northern Victoria and the NSW Riverina.

The impact of floodplain harvesting on water sharing arrangements

The VFF refers the Inquiry's attention to the 2020 Interim Inspector General's report into the *Impact of lower inflows on state shares under the Murray–Darling Basin Agreement* that found inflows both into the Menindee Lakes and from the Lakes to the Murray River have dramatically reduced in the last 20 years. The report suggested numerous factors contributed to this including climatic issues, but also catchment modification (including farm dams), increasing development, floodplain harvesting and non-compliance.

Flows into and out of the Menindee Lakes matter to Victorian farming communities because they have a direct impact on Victoria's water entitlement and allocation framework. When there are reduced flows in the Darling River, additional pressure is placed on the Goulburn (Victoria) and Murray (NSW and

Victoria) systems to deliver our shared commitment to South Australia under the Murray Darling Basin Agreement.

Victoria did not have access to water from the Menindee Lakes between December 2017 and May 2021 and therefore, its shared commitment to deliver water into the lower Murray had to be met through releases out of Lake Hume and Lake Eildon. This placed pressure on the Murray and Goulburn systems, increasing the risk of environmental damage to these rivers and increasing deliverability risk for irrigators which ultimately influenced the price and availability of water.

The impact of floodplain harvesting on Southern Basin communities

Victorian farming communities are sensitive to these concerns because they have done all the heavy lifting in contributing to the Murray Darling Basin Plan and have borne the full brunt of resulting job losses.

The VFF's 2018 analysis of the MDBA's community profiles shows there has been a considerable reduction in the agricultural workforce since 2001 in the Southern Basin with the most substantial losses being in Victoria. A total of 5116 full time jobs were lost in Victoria compared to 2877 in New South Wales and 2287 in South Australia. It has been estimated that as a direct consequence of the Basin Plan, 789 jobs losses came from the irrigation and food manufacturing sectors in Northern Victoria, whilst 194 of the same sectors' jobs were lost in Southern NSW. Third party impacts arising from a shortfall of water delivered through the Darling will further compound the stresses endured by farming communities across the Southern Basin.

The impacts on NSW Riverina communities is of concern to the VFF because farming communities on both sides of the Murray are economically and socially interconnected. A strong agricultural sector underpinned by irrigation is important to ensuring the strength and resilience of the region as a whole.

The importance of metering and compliance

As a result of the Basin Plan and associated efforts to modernise the irrigation network, all Victorian water users are required to have their water use metered using modern technologies. Metering has helped to deliver efficiency and transparency and Victorian farmers are required to follow a strict compliance regime with year round enforcement.

The VFF believes that in line with how compliance regimes operate across Southern Basin jurisdictions irrigators in the Northern Basin should be metered on their water use, not their water take. Once water usage in the Northern Basin is metered and it can be determined how much water is required, the NSW Government can then set about adjusting its entitlement framework to meet its obligations under the Basin Plan and Basin Agreement. Any new entitlement framework must be clear and transparent including realistic and sustainable carryover rules. The VFF does not support unlimited carryover or proposals for 500% carryover. This ultimately results in Northern Basin farmers taking more entitlement than they own.

Conclusion

The VFF acknowledges the role of floodplain harvesting in farming systems in the Northern Basin. However, the entitlement framework governing this activity needs to change to ensure there is not overuse and that there are limited third party impacts on Southern Basin water users. Strict compliance and enforcement regimes must be implemented in the Northern Basin to ensure the fair and equitable use of a shared resource.

The VFF is happy to provide further input to assist the Inquiry. Should you wish to discuss these matters further, please contact VFF General Manager of Policy Luke Hooke via email

Yours sincerely,

Andrew Leahy
VFF Water Council Chair