



Introduction :

Namoi Water Represents Water Access Licence Holders in the Namoi Valley located in north western NSW. We make this submission into the House of Representatives inquiry on water use efficiency in Australian agriculture.

As way of introduction water reform has been ongoing in NSW for over two decades, this has a significant effect on water use efficiency and the ability of individual enterprises to adapt to reductions and maintain their developed infrastructure and capital value of farm assets.

It should be noted that water recovery harms regional communities, the current Basin Plan reform has resulted in significant recovery undertaken prior to the plan being finalised. The no regrets policy of water buy back has resulted in significant damage to regional irrigation communities. It is also important to note that On farm modernisation programs were developed by state governments with little input from regional water users and stakeholders. This has resulted in poor uptake in the northern system as the programs often have a poor fit and value proposition for northern irrigation businesses.

Water use efficient is now not just focussed on delivery of regulated water to the customer and their use on farm. The basin plan puts the focus on the environmental water holder to use their water efficiently. However the ability to measure success and efficiency is hampered by dated technology to measure water delivery throughout catchments in the northern system.

Namoi Water submits that the current basin plan progress combined with complementary measures will achieve environmental outcomes more efficiently. The use of water for the environment and its efficiency is not just limited to the delivery of water to a target site. It must take into account the practical measures that can be applied on ground to ensure the environmental outcome is achieved. Many of these are documented in the complementary/toolkit measures proposed by northern communities as part of the northern basin review undertaken by the MDBA.

Submission;

In relation to the inquiry Namoi Water intends to provide a more substantive submission at the hearing however summary comments on the terms of reference are now provided.

- **adequacy and efficacy of current programs in achieving irrigation water use efficiencies**

Current programs include On farm modernisation program – this program has not had substantive uptake in some northern valleys. The \$/meg have not been attractive to water users and the restriction in the program rules and criteria have been limiting for individual businesses.

Examples of the barriers include ; The lack of transparent market price for the program. Limited water products included ie: targeted general security water when other water products such as Supplementary and unregulated water entitlements were not included in the programme and can possibly deliver more efficient environmental outcomes. Time delays in contracting approved IFM projects and gaining works approvals, function of the program and transparency has been issue for water users.



Namoi Water recommends ;

A Reduction of minimum volume of water that could be recovered from a project to potentially encourage smaller irrigator's involvement. Broadening current water recovery programmes to include unregulated and supplementary entitlements. The commonwealth should also consider a wider range of activities that increase agriculture productivity on farms e.g. changing from one enterprise such as cereals to one that gives greater returns such as tree crops in return for some water. Opportunities to swap between different types of entitlements i.e. the irrigator sells one type of entitlement to the Commonwealth and buys different type of entitlement with sale proceeds. Review the programme co-contribution requirement which has not been consistently applied between state based programmes .

- how existing expenditure provides value for money for the Commonwealth

The aim of the current programme is to provide funding for projects that return savings as a licence to the commonwealth but do not reduce the value of the water available to the farming operation. This value for the commonwealth of this approach over the direct buy back is highlighted in the social costs associated with community decimation experienced in Collarenebri.

- possible improvements to programs, their administration and delivery

Amendment of the the current NSW STBIF program was problematic and overly long in processing practical changes to make the programme more attractive to water users. There needs to be greater flexibility of projects and contracts when evidence of limited uptake suggests programme is not delivering outcomes. Commonwealth direct funding programmes is seen as more efficient and alleviates the above issue of additional process in seeking changes.

Further still it would be best to avoid these issues by consulting direct with stakeholders in the design and delivery options being considered for programs. The feedback provided by Namoi Water regarding the current programme was ignored by previous departmental administrators that developed the pilot. Pilots in one valley often need testing in other valleys as what works in one region does not always work in others.

- other matters, including, but not limited to, maintaining or increasing agriculture production, consideration of environmental flows, and adoption of world's best practice.

Namoi Water will provide more detailed response to this question at the hearing.

We thank the committee for the time to provide this submission and look forward to having more detailed discussion at the hearing.