



20 March 2019

Senator Jonathan Duniam
Chair
Senate Standing Committee on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Senator Duniam,

Water Amendment (Purchase Limit Repeal) Bill 2019

On Wednesday 13 March 2019 the NSW Farmers' Association participated in the Environment and Communications Legislation Committees' public hearing into the *Water Amendment (Purchase Limit Repeal) Bill 2019*. As stated in our evidence and our submission, NSW Farmers supports voluntary water purchases within the existing 1,500GL legislated limit. Our support is predicated upon the existence of strategic methods to obtain and use the water. We also continue to support water efficiency infrastructure programs, as these projects can recovery water for the environment without significant adverse impacts to rural and regional communities.

It is also important to recognise that eastern Australia, including almost all of the Murray Darling Basin, is experiencing one of the most oppressive droughts recorded since European settlement, with inflows into the Murray Darling Basin at record lows. Now is not the time to be considering further purchase of water. On this point, we note that there is no physical water to give to the environment, and the present cap is yet to be reached.

During the hearing we were asked to provide further information regarding our position on speculators in the water market, the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) projects and our policy on water metering.

Water Market

NSW Farmers seeks full transparency regarding all water entitlements and that a public register of water entitlement holdings be established. A register would allow full clarity regarding who holds water entitlements. The separation of water rights from property has created an entrance for 'water speculators' in the water market.

Regional communities have expressed concern that water speculators, often individuals or corporations with no land or interest in agriculture, are purchasing water to trade as a commodity (and often with very high profit margin). By holding water until the 'spot price' increases (thereby maximising profit), there is a consequent reduction in availability of water until the seller chooses to make it available for sale.

NSW Farmers' Association

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Additionally, previous and ongoing water recovery purchases force many farm businesses to rely upon the temporary water market in order to meet the water requirement for their production needs. Farmers are often unable to compete in a temporary water market due to the decreasing pool of available water coupled with the effect of water speculators and large corporate entities driving up water prices, making food and fibre production increasingly unviable.

Sustainable Diversion Limit Adjustment Mechanism (SDLAM) projects

In relation to the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) projects, NSW Farmers is seeking that the process of identifying and progressing the 37 projects has capacity and flexibility to amend existing projects, remove projects that are not supported by communities and/or the business cases, enable new projects to be considered and complementary measures to be enacted. Allowing this flexibility enables the likelihood of the SDLAM being successful and achieving the intended water recovery offset targets. Additionally, concerns have been raised regarding lack of consultation, timeframes, lack of details within the project business cases and projects being submitted as business cases rather than progressing through the established three phase development process (i.e. pre-feasibility study, feasibility study, business case). Therefore, NSW Farmers is calling for an audit of all project details and comprehensive consultation with stakeholders to ensure that these projects are the most suitable projects to be progressed and that the projects take into consideration local knowledge and the concerns of regional stakeholders and communities.

The NSW Farmers Association policy in relation to the above information follows:

- That the Sustainable Diversion Adjustment mechanism is flexible enough to enable new projects, amendments to existing projects and other complementary measures to be enacted.
- That NSW Farmers lobby the NSW Government to ensure all facts and figures on which the proposed Sustainable Diversion Limit Adjustment Mechanism (SDLAM) projects are based are ratified by an independent body and available to stakeholders before proceeding to the final draft of each business case.

In December 2018, the Murray Darling Basin Ministerial Council agreed on additional and more robust socio-economic criteria for efficiency projects. NSW Farmers supports the new socio-economic criteria as it takes into consideration impacts to Basin communities and regions, and ensures that negative impacts resulting from efficiency projects are assessed on a community and regional scale. NSW Farmers would also like to see this socio-economic assessment apply to all SDLAM projects and future water recovery purchases.

Water Metering

Additionally, NSW Farmers has long standing policy in relation to the need for metering across the Basin. At our most recent Executive Council meeting in March 2019 policy was passed calling for the installation of Horizontal Acoustic Doppler Current Profiler (H-ADCP) instruments or equivalent at multiple locations along the Murray Darling Basin.

During the hearing, NSW Farmers offered the Committee a copy of our submission to the Draft Floodplain Harvesting Monitoring and Auditing Strategy; a copy is attached for your reference.

NSW Farmers appreciated the opportunity to provide input into this Inquiry and looks forward to the release of the Committees' report.

The proposal to repeal the current legislated limit of water recovery purchases creates uncertainty due to the potential for further adverse impacts for Basin communities, the evolving water market issues and the physical impracticality and consequences (i.e. loss of land and productivity for riparian landholders, and increased and prolonged flooding of fragile environmental ecosystems) of delivering increased flows through constraints (e.g. Barmah Choke) in the river system.

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Yours sincerely,

Bronwyn Petrie
Conservation and Resource Management Committee Chair



15 February 2019

Department of Industry - Water
GPO Box 5477
SYDNEY NSW 2001

To whom it may concern,

Submission to the Draft Floodplain Harvesting Monitoring and Auditing Strategy

The NSW Farmers' Association (NSW Farmers) welcomes the opportunity to provide comment on the Draft Floodplain Harvesting Monitoring and Auditing Strategy.

NSW Farmers is Australia's largest state farming organisation, representing the majority of commercial farm businesses in NSW, ranging from broad acre, meat, dairy, wool and grain producers, to more specialised producers in the horticulture, egg, pork, oyster and goat industries.

General Comments

NSW Farmers understands that the Floodplain Harvesting Auditing and Monitoring Strategy is a process of volumetric conversion and will not lead to increases in extraction. Floodplain harvesting policy is a way to regulate the historic practice of floodplain harvesting through approved works. Throughout this regulation farmers must be assured that security of access to water will not decrease and monitoring and auditing will be fit for purpose, cost effective and robust.

Within New South Wales, landholders are entitled to harvest up to 10% of the rainfall that falls onto their property as a harvestable right. As rainfall runoff has been included in the Floodplain Harvesting policy, floodplain harvesters must not be disadvantaged by the implementation of this policy compared to those who have a harvestable/ rainfall runoff right. NSW Farmers is concerned that the inclusion of rainfall runoff into the Floodplain Harvesting policy creates equity, monitoring and enforcement issues.

Temporary Storages

Do you have any comments on the practicality of permitted use of temporary storages?

NSW Farmers recognise the need to measure water collected or impounded opportunistically in temporary storages as part of an individuals' floodplain harvesting entitlement. While the practicality of measuring this temporary storage take by diverting water through monitored permanent storages or meters is onerous, it is important that all water take is measured to ensure that total floodplain harvesting remains within the limits of an individuals' floodplain harvesting access licence. Accurate and transparent measurement of water take is important to promote confidence in the management of the overall system.

Additionally, the definition of temporary storages as "areas where water is collected or impounded opportunistically and typically for periods of less than a few weeks" is vague. This definition should be defined more clearly to ensure compliance issues do not arise.

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Data Recording

Do you have any comments on reading frequency?

The requirement to record readings daily throughout a floodplain harvesting event, weekly throughout the irrigation season and monthly for temporary storage and all other times will be time consuming and onerous for landholders, especially if manual methods of reading are relied upon. While NSW Farmers acknowledges that gauge boards and self-reporting is the proposed reading/recording method, we suggests that technology for monitoring such as automated reading methods be considered as the minimum reading method provided by the government. The use of technology for monitoring has many benefits to the accuracy of data collection and also confidence in policy. Automated reading methods would improve efficiency and remove the possibility of human error. Automated methods will also reduce safety risks to workers who would have to manually read gauges in severe weather events.

Do you have any comments on recording requirements?

Manually recording floodplain harvesting and keeping this data secure places a large burden upon farmers. While a floodplain harvesting template has been provided, accurately collecting and calculating the data is time consuming. Technology to read and record floodplain harvesting would streamline this process and ensure accuracy in the records.

Verification

Do you have any comments on the verification of self-reported data?

As the proposed monitoring of floodplain harvesting is self-reported data, this must be independently verified to ensure that self-reported floodplain harvesting take is accurate. Verification processes must remain flexible to incorporate a number of methods and these methods should be allowed to be updated as technology advances.

Trading

Do you have any comments on trading?

Relevant trading frameworks and adequate metering must be in place before the trading of floodplain harvesting access licences is permitted and therefore should only be considered after a review of the strategy has been completed. To ensure that floodplain water is only taken once, the vendor of the floodplain harvesting access license must demonstrate how they will ensure to not capture floodplain water. Clear guidelines on how vendors can demonstrate that their works will no longer capture water should be provided. Appropriate trade monitoring and compliance procedures must be in place before floodplain harvesting access licences are allowed to be traded.

NSW Farmers appreciated the opportunity to provide feedback on the Draft Floodplain Harvesting Monitoring and Auditing Strategy. We understand that the strategy will be evaluated over the first two years of implementation, with the opportunity to extend the evaluation period if a flood does not occur within this timeframe. It is important that the evaluation period of the strategy includes a flood event, so that the all aspects of the strategy are tested. NSW Farmers supports this evaluation period and would like to see a report outlining the outcomes of the evaluation. Additionally, if the evaluation finds that that the approach to monitoring and auditing of floodplain take should be modified, further consultation with stakeholders and irrigators should be undertaken.

Yours sincerely

Bronwyn Petrie

Conservation and Resource Management Committee Chair

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