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HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON  
AGRICULTURE, FISHERIES  
AND FORESTRY

**Submission to the House of Representatives  
Standing Committee on Agriculture,  
Fisheries and Forestry Inquiry into future  
water supplies for Australia's rural  
industries and communities**

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# A Proposal to Pipe Australia's Open Irrigation Channels

## Overview

Agriculture is among the largest users of water in Australia and the competing demand for water from both agriculture and our cities is one of the greatest challenges facing Australia this century. This brief submission will outline a proposal to make a major difference to the efficiency and availability of water for irrigation in Australia by establishing a national fund to finance the piping of Australia's open irrigation channels.

## Background

It is well known that open irrigation channels are a highly inefficient method of transporting water – especially over long distances. Losses through evaporation and leakage can account for up to 80% of water volume from the time water leaves its source until it reaches its destination.

Laying pipes in Australia's open irrigation channels to help eliminate evaporation and leakage would result in a dramatic increase in the amount of water available for irrigation, for restoring environmental river flows and/or for diverting to use in urban areas.

A scheme to pipe all Australia's open irrigation channels would cost many billions of dollars and be a long-term project of Snowy-Mountains scheme proportions. It would have the potential to capture the nation's imagination through making a substantial positive impact on Australia's salinity and water management challenges. In addition the program would have significant and long-term economic benefits for rural and regional Australia.

Such a scheme could be financed through Government issued "water bonds" which could raise substantial funds that could be directed to water conservation through the piping of open irrigation channels throughout Australia.

## Scope:

Australia has thousands of kilometres of open irrigation channels. The scope of undertaking a national project of this type needs further investigation. As an indication, the Wimmera Mallee irrigation piping project alone has an estimated cost of \$300 million.

## Administration:

There are a number of options for administering such a project. Existing water authorities could tender for private companies to supply pipes and carry out the work.

### **Finance:**

The Federal and/or State Governments could raise several billion dollars through the issue of "water bonds" or a similar financial instrument that carry a Government-backed rate of return.

The money raised by the bonds would be for the sole purpose of piping of open irrigation channels throughout Australia.

A Government issued "water bond" which carried an attractive rate of return would be a highly sought after investment by Australia's superannuation managers who are experiencing massive inflows of funds every week with limited options for secure investment. There has been considerable publicity of late about the need, as seen by Australia's financial markets, for more Government backed investment products. (see attached Australian Financial Review article 22.4.02 page 25)

While the Australian Government has taken justifiable pride in its policy of reducing public debt, the issuing of Government "water bonds" would have the advantage of helping keep more of Australia's superannuation fund money onshore as well as providing considerable economic stimulus and job creation in rural areas through a major environmental infrastructure project.

### **Conclusion**

A scheme to pipe Australia's open irrigation channels would be one of the most effective, far reaching and imaginative steps the Government could undertake to address the water management challenges facing Australia. It would capture the nation's imagination and send a clear message that water management is one of the greatest issues facing this country. The financing, planning, administration and implementation of such a scheme requires considerable analysis. However it has the potential to have a major positive environmental and economic impact for the future of Australia.