



National Irrigators' Council

Food and fibre for the Nation

National Irrigators' Council Annual Report 2013-2014



Australian irrigators perform a vital role in feeding and clothing our nation and the world and make a major contribution to rural communities and the national economy

The total gross value of irrigated agricultural production in Australia in 2012-13 was \$13.4 billion

Contents

National Irrigators' Council
NFF House
14-16 Brisbane Avenue
BARTON ACT 2607
Tel: 02.6273 3637
www.irrigators.org.au

Printed October 2014

Photo front cover:
Irrigating sugar cane
Bundaberg, Queensland
Copyright Bundaberg Regional Irrigators Group

| | |
|---------------------------------|----|
| Our Advocacy in 2013-2014 | 5 |
| Message from the Chair | 8 |
| Message from the CEO | 9 |
| The Board | 10 |
| Our Members | 13 |
| Position Statements | 15 |
| History of Irrigation | 23 |
| Irrigation Facts | 24 |

Designed and produced by
ZebraMAD
13 Wiluna Street
Fyshwick ACT 2609

Our Advocacy in 2013-2014



Regulator on the Wakool River, Deniliquin, NSW

Copyright National Irrigators' Council



Inspecting wine grapes

Chad Prescott and Richard Stott, Avondale Farm, Whitton, NSW

Copyright National Irrigators' Council

The National Irrigators' Council has made progress on a number of fronts this past year, working with stakeholders on issues of importance to our members, resulting in tangible outcomes.

Chair of the Council, Gavin McMahon, was appointed to the Murray Darling Basin Authority (MDBA) Board and Expert Panel tasked with undertaking a review of the Commonwealth Water Act 2007, reflecting the reputation of the Council as a value stakeholder.

The Council was successful in achieving the disallowance in the House of Representatives of two 'critically endangered listings' under the Environment Protection Biodiversity Conservation (EPBC) Act 1999 in relation to the Macquarie and Murray Rivers.

The Council has been vocal in its support for the abolition of the Carbon Tax and removal of red and green tape. Steps taken by the federal government on these issues are commended.

Submissions were provided to the National Water Commission on the Triennial Assessment of Water Reform Progress in Australia, to the MDBA on the draft Constraints Management Strategy, and the review of the Water Act 2007.

Supported by its sub-committees and ad hoc reference groups, the Council has developed a series of position statements on issues impacting on our members, which are detailed in this report.

Other issues on which the Council has been at the forefront in its advocacy include:

- secured a commitment for 1500 GL water buyback from the then Opposition leader, Tony Abbott, in the lead up to the 2013 federal election, resulting in the cap being delivered in the Water Recovery Strategy, and to be enshrined in legislation.
- provided input into the re-writing of the draft MDBA Basin Plan Evaluation Framework
- advocated for the relocation of federal government agency personnel to regional communities resulting in six staff from the Commonwealth Environmental Water Office being located in Basin communities
- Successfully advocated for CEWH water to be traded for the first time
- Recognition by organisations such as the Clean Energy Finance Corporation (CEFC) as a key constituency, and the CEFC acknowledging the Council's public dissatisfaction with current unsustainable electricity price rises.

The Council also made successful representations to government on the following:

- the approval of the \$180 million Nimmie Caira buy-back
- the \$240 million South Australian River Murray Sustainability Irrigation Industry Improvement Program
- the Central Condamine Alluvium Groundwater buy-back tenders commenced
- the \$103 million Sunraysia Modernisation Project.

Comments by the Parliamentary Secretary to the Minister for the Environment, the Hon Simon Birmingham in relation to any potential rule changes associated with the Constraints Management Strategy and reported in The Land and on the ABC on 15 October 2013 were well received. Senator Birmingham ruled out the compulsory acquisition of land for easements, and also assured irrigators that the security of their water entitlements would not change:

'What the Authority has flagged is that they want to have a look at some of the rules of how the system works. Now I'm not against looking at the rules. But very importantly, and it's not just the position of the Government, the MDBA itself has made clear that the strategy will not create any new risks to the reliability of water entitlements. I will hold them to that 100 per cent, that's the word of the Authority and I take them at their word. But we will also be making sure at the government level that irrigators' rights are not undermined in any way.'



National Irrigators' Council

The National Irrigators' Council is the peak body representing irrigators in Australia, supporting 31 member organisations covering the Murray Darling Basin states, irrigation regions and the major agricultural commodity groups. Council members collectively hold approximately 7,000,000 megalitres of water entitlement.

The Council is the voice of irrigators who produce food and fibre for Australia and significant export income. The total gross value of irrigated agricultural production in Australia in 2012-13 was \$13.4 billion. Irrigated agriculture produces essential food such as milk, fruit, vegetables, rice, grains, sugar, nuts, meat and other commodities such as cotton and wine. The Council aims to develop policy and projects to ensure the efficiency, viability and sustainability of Australian irrigated agriculture and the security and reliability of water entitlements.

The Council is funded by irrigators, for irrigators and the communities they support and is directed by our guiding principles designed to underpin our current and future policy decisions:

- A healthy environment is paramount
 - Sustainable communities and industries depend on it
- Protect or enhance water property rights
 - Characteristics of water entitlements should not be altered by ownership
- No negative third party impacts on reliability or availability
 - Potential negative impacts must be compensated or mitigated through negotiation with affected parties
- Irrigators must be fully and effectively engaged in the development of relevant policy
- Irrigators expect an efficient, open, fair and transparent water market
- Irrigators require a consistent national approach to water management subject to relevant geographical and hydrological characteristics
- Irrigators expect Government policy to deliver triple bottom line outcomes
- Regulatory and cost burdens of reform be minimised and apportioned equitably.

Sub-Committees

Council sub-committees provide expertise on key policy areas and have been instrumental in guiding and informing members on critical issues impacting on irrigators. They are at the centre of policy development, providing advice to the broader membership in the development of Council position statements and keeping members informed on these policy areas.

Groundwater sub-committee: the committee was established in 2009 to provide input on groundwater policy and management, particularly in relation to the Basin Plan. Working with other industry organisations the committee was instrumental in successfully challenging the proposed reductions in groundwater sustainable diversion limits in the Guide to the Basin Plan.

The committee has had a keen focus on the MDBA groundwater trading rules and the proposed changes to the water trigger in the EPBC Act which would allow the responsibility for assessing the impacts of large scale coal mining and coal seam gas developments on water resources to shift from the Commonwealth to the states.

Infrastructure Operators sub-committee: the committee has focused on the Network Services Plan, metering standards, removing duplication in relation to data collection, establishment of a single portal for all reporting requirements for Commonwealth agencies and questions around whether data collected remains relevant. The committee has also examined the cost involved in reporting on the water markets and has held discussions on the issues surrounding the design and implementation of the MDBA's Water Trade rules.

Energy sub-committee: the committee has been relentless in its focus on the rising costs of electricity prices which have risen far in excess of CPI, primarily due to the way tariffs are calculated. Electricity prices for irrigators are unsustainable and many food and fibre producers are finding it non-viable to irrigate using their existing electricity infrastructure. As a result of the work of the committee, the Council is seeking significant reductions in electricity costs to ensure that network supplied electricity remains a cost-effective energy source for irrigators.

Tumut Pond Dam, Tumut, NSW

Copyright National Irrigators' Council

The Council continues to forge relationships with key stakeholders including parliamentary representatives and Commonwealth water agencies and staff. Regular meetings of peak bodies have supported a united approach on the issue of electricity prices and the impacts on the agricultural sector.

Meetings of the Council in July and November 2013 and March 2014 were well attended and provided a forum for our members to discuss pressing issues face to face with the Parliamentary Secretary to the Minister for the Environment, representatives from the Department of the Environment, the MDBA, representatives from the Invasive Animals CRC, the Bureau of Meteorology and other key stakeholders.

Message from the Chair



Gavin McMahon,
Chair National Irrigators' Council

The past year has seen the irrigation industry presented with many issues and the National Irrigators' Council achieving a number of successes for its members. A strong presence in Canberra is delivering results to our members through face to face engagement and negotiation with key stakeholders at a national level, including with federal parliamentary representatives.

This was demonstrated at the commencement of the year with the threat of the Murray River, below the junction with the Darling River and Macquarie Marshes, being listed as critically endangered under the EPBC Act. Our CEO identified this listing and negotiated with the government to have this listing disallowed. This was a significant outcome and it has shown that those who wish to continue to impose sanctions and regulations on our industry that we are prepared to oppose such instigations. It is important that we continue to scan the political landscape, identify issues that are relevant to our members and respond accordingly. Vigilance and questioning will be a key requirement as the many water reforms are implemented.

With the Murray Darling Basin Plan we have seen the change of focus to water recovery by infrastructure where possible and the commitment for a 1500 GL cap on buybacks through the water recovery strategy. Again, the Council had significant input into these changes and worked collaboratively with its members and other organisations to seek such changes. It is important that we continue to espouse the economic and social benefits of our industry and that government respects these attributes in any policy or legal instruments. We will continue to reinforce that we are one of the major economic pillars for this nation moving forward.

The Council has established a good working relationship with the government departments and key organisations in Canberra with our leadership and our members often sought out for advice. The Council seeks to continue to work constructively and in a balanced way with governments of all persuasions as we build on our reputation as a trusted stakeholder and adviser.

The Council's advocacy as one of the first organisations in the irrigation community to raise the issue of unsustainable power price increases has seen many other organisations become involved in this issue with Council taking a cooperative approach with many of these organisations. This issue is not confined to the Murray Darling Basin and the Council will be mindful of supporting our members who reside outside the Murray Darling Basin.

Finally I would like to thank the staff, Board Members and Council members for their contribution and passion over the past year which is reflected in the successes achieved.

Message from the CEO



Tom Chesson,
CEO National Irrigators' Council

The federal election held in September 2013 saw Tony Abbott become Prime Minister; at a state level, in South Australia the Labor Party won its fourth consecutive four-year term, and in Tasmania, the Liberal Party was elected promising to fund new irrigation developments. Federally we have had three different cabinet Ministers, a Parliamentary Secretary and two Shadow Cabinet Ministers hold responsibility for Water.

Over this period our advocacy on behalf of our members has not lost momentum, with progress on several fronts while at the same time building on key partnerships and growing the reputation of the Council as a valued stakeholder. With elections due to be held in Victoria on 29 November 2014, New South Wales on 28 March 2015 and Queensland early in 2015, further opportunities may well present to establish new relationships at a state political level through the water portfolios in these states.

Our place as the voice of irrigators continues to build through relationships with stakeholders at a Commonwealth and state level, as we provide advice and input into key areas of policy. Heads of agency meetings between Council members and water agency senior executives provide a forum for information flow and dialogue.

Achievements are provided in more detail in this report, however, key among them were the disallowance motion in the House of Representatives of two 'critically endangered listings' covering the Macquarie and Murray Rivers and our contribution to the complete re-drafting of the MDBA evaluation framework and the issues around the social and economic indicators.

Council's support for the removal of the Carbon Tax and the reduction of red and green tape has been endorsed by action by the federal government on these critical issues.

The Commonwealth Government's push to develop northern Australia with irrigated agriculture as a key component of the mix, the Ministerial Dams Taskforce, the self-management reforms in Queensland and the new irrigation greenfields sites in Tasmania all present significant opportunities for the Council to play a role in providing advice and expertise on issues on the national stage.

Our policy development processes culminated in the Council's strategic planning day in November which was an opportunity to examine our strengths and weaknesses and implement strategies to improve what we do. Sub-committees and ad hoc reference groups are providing input into the development of submissions to inquiries and to our position statements on existing and emerging issues, with further position statements in the planning stage.

Informal meetings of peak bodies, facilitated by the Council, have enabled key groups to coalesce around the issue of unsustainable electricity prices and the impacts on the agricultural sector. This approach has assisted in maximising our sometimes limited resources, enabling us to share knowledge and resources and to take a united stand on important issues.

Our workplan continues to underpin our strategic approach to policy, and to be responsive to issues impacting on our members, including activities relevant to the implementation of the Basin Plan and issues putting pressure on the social and economic development of irrigation communities.

A valuable communication vehicle has been my regular appearance on the ABC TV's Capital Hill current affairs program as have my opinion editorial pieces on the ABC's The Drum website. More broadly, our front page stories in key regional media outlets and regular radio interviews are embedding our status as the peak body for Australia's irrigators.

The Board

The Board manages the administration of the Council with the CEO responsible for the day to day operations of the organisation. The Board includes a mix of state representation and skills-based experience. With a presence in Canberra, the Board has direct access to decision makers at a political level ensuring the voice of irrigators across Australia is heard directly at the point of decision on policy.



**Gavin McMahon
(Chair)**

Gavin is the CEO of Central Irrigation Trust (CIT) in South Australia. He is also a Director of CIT and the CIT Water Exchange. Gavin originally hails from Queensland and has formal qualifications in environmental science and business. Gavin was appointed to National Irrigators' Council Board in 2010 and to the position of Chairman in 2012



**Tim McKindlay
(Deputy Chair)**

Tim is a director of Murray Irrigation Ltd, the largest private irrigation company in Australia. Tim and his family run a mixed cropping and livestock operation near Deniliquin in NSW. Tim was elected to the Board of the National Irrigators' Council in 2012.



Col Thomson

Col is a citrus grower from Curlwaa, near Wentworth in south western NSW and was the inaugural Chair of the National Irrigators' Council in 2008. Col was also a long serving Chair of the New South Wales Irrigators' Council and a representative on the Lower Murray Darling Customer Service Committee. He is also a Director of Western Murray Irrigation.



Dale Holliss

Dale is the CEO of Bundaberg CANEGROWERS Ltd and Company Secretary for the Bundaberg Regional Irrigators Group. He has a background in sustainable agricultural management, rural finance and economics. He also has extensive experience in irrigated sugar cane production systems across Queensland as well as a diverse range of horticultural crops. He was elected to the NIC Board in 2012.



**Michael Murray
(Treasurer)**

Michael is the National Water Manager and Queensland Policy Manager for Cotton Australia and was formerly Chief Executive Officer of the Gwydir Valley Irrigators' Association, based in Moree in northern NSW. Michael is also a board member of NSW Irrigators' Council. He was elected to the NIC board in 2009.



Chad Prescott

Chad is a cotton and cattle producer from near St George in south western Queensland. He is the secretary of SmartRivers, a stakeholder organisation representing the interests of irrigators in the Lower Balonne region. Chad is a founding Director of the National Irrigators' Council, initially elected to the Board in 2008.



Peter Duggin

Peter is a winegrape grower from Renmark in South Australia and Chairman of the Renmark Irrigation Trust, Australia's oldest irrigation trust. He was elected to the National Irrigators' Council Board as South Australia's representative in 2010. Peter is also a member of the SA MDB NRM Board, and SAMI Upper Murray representative.



Bernie George

Bernie was elected to the NIC Board in 2012. He is the General Manager of Auscott's operations in the Namoi valley of NSW, where the company grows and processes, warehouses and markets cotton and rotation crops. Bernie has extensive experience in large scale irrigated agriculture as well as land and water resource development. Bernie is a past Chairman of Cotton Australia and a graduate of the Australian Rural Leadership Program.



**John Culleton CSC,
psc, pcfsc, BA, GAICD**

John was appointed to the National Irrigators' Council Board in 2011. John is also a director on the NSW Rice Marketing Board and Chief Executive of Coleambally Irrigation Co-operative Limited (CICL). Prior to assuming his role with CICL, John spent 32 years in the Australian Regular Army commanding at platoon, company and battalion level. He served with the United Nations in the Middle East and was Australia's Defence Attache to the UN in New York. John was the NSW/ACT State Manager of the Royal Australian College of General Practitioners and subsequently the Deputy Chief Investigator of the NSW Office of Transport Safety Investigations.

John is a graduate of the Royal Military Command, Duntroon; the Australian Army Command and Staff College; the Canadian Services Command and Staff College and the Australian Institute of Company Directors. He holds a Bachelor of Arts from UNSW (Economics and Government) and was awarded the Conspicuous Service Cross for his leadership and work in the remote communities of Cape York, the Gulf Country and the Torres Strait while commanding the 51st Battalion, the Far North Queensland Regiment.



Our Members

Our members represent a diversity of organisations from food and fibre industries as well as irrigation infrastructure operators. Council members are not individual irrigators but members of their respective representative organisations. An 'irrigator' is defined as 'a person or body with irrigation entitlement for commercial agricultural production'.

The Council is a non-federated body with with equal voting rights on all issues including policy development. The Council is committed to representing all irrigators regardless of their location or the food and fibre they produce. Council members meet three times per annum to discuss and debate matters of policy. Adoption of policy is on a consensus basis.

Membership

- Almond Board of Australia
- Barossa Infrastructure Ltd
- Bundaberg Regional Irrigators Group
- Central Irrigation Trust
- Coleambally Irrigation Co-operative Limited
- Gwydir Valley Irrigators Association Inc
- Irrigation Australia Limited
- Macquarie River Food and Fibre
- Murray Goulburn Co-operative Co Ltd
- Murrumbidgee Groundwater
- Murrumbidgee Private Irrigators' Inc
- Olam Orchards Australia Pty Ltd
- Ricegrowers' Association of Australia Inc
- Smartrivers
- Southern Riverina Irrigators
- Tatura Milk Industries
- Auscott Limited
- Border Rivers Food and Fibre
- Central Downs Irrigators Limited
- Citrus Australia
- Cotton Australia
- Lachlan Valley Water
- Murray Irrigation Ltd
- Murray Valley Winegrowers' Inc
- Murrumbidgee Irrigation Ltd
- Namoi Water
- Renmark Irrigation Trust
- Riverina Winegrapes Marketing Board
- South Australian Murray Irrigators
- Sunraysia Citrus Growers
- Western Murray Irrigation Limited

Field trip at Barmah Choke, NSW
Copyright National Irrigators' Council



Nimmie Caira on the Murrumbidgee River, Maude near Hay, NSW
Copyright National Irrigators' Council



Harvesting Oranges, Waikerie, Riverland, South Australia
 Copyright Central Irrigation Trust, SA



Inspecting the baled cotton Auscott, Nevertire, NSW
 Copyright National Irrigators' Council

Position Statements

Supported by sub-committees and ad hoc reference groups, the Council has taken action during the year in the development of a series of position statements focused on issues impacting on our members. Underpinned by our guiding principles, all position statements incorporate key messages which provide a strong platform for our advocacy and support our stakeholder engagement.

Electricity: Key messages

NIC seeks significant reductions in electricity costs with the aim of ensuring that network supplied electricity remains a cost-effective energy source for irrigators. NIC seeks reductions in electricity costs through the following mechanisms:

- 30% from network charges
- 8% from the removal of the Carbon Tax.

NIC proposes that the Australian Energy Market Commission (AEMC) approve a rule that would allow irrigators to be a separately classified customer across Australia. Irrigators (and other network supplied electricity users) should not pay a disproportionate share of the cost of government policies that encourage alternative energy programs eg, the Carbon Tax, the Renewable Energy Target (RET) and solar feed in tariff.

NIC seeks a national suite of volume-based specific irrigation tariffs, reflecting irrigation demands on the network in terms of base load and off-peak use and including worthwhile time-of-use incentives for irrigation during off-peak periods and during weekends.

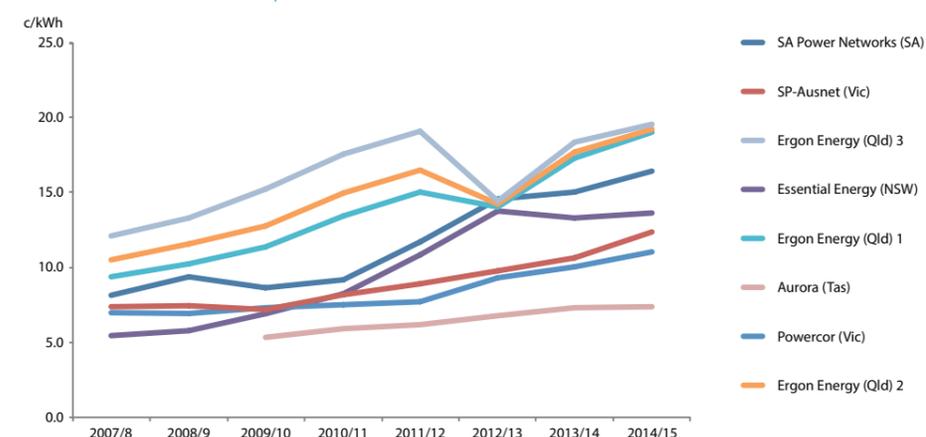
NIC will form coalitions with NSWIC, Cotton Australia, CANEGROWERS and other key groups to persuade the federal government and the AEMC to introduce specific irrigation food and fibre tariffs.

NIC will encourage state and federal governments and network providers to implement further measures to help reign in the unsustainable electricity prices. These may include:

- Implementation of volume based irrigation tariffs, reflecting irrigation demands on the network in terms of base load and off-peak use and including worthwhile time-of-use incentives for irrigation during off-peak periods and over the weekend.
- Revaluing the regulated asset base to remove the impact of over investment from the underlying cost base.
- Promotion of increased competition in the electricity market.
- Funding for both on-farm energy audits and to implement best practices energy efficient measures.
- Development and implementation of strategies to manage peak demand which will help to optimise the efficiency of network investment, such as use of generators during peak demand.

NIC will help to identify and transition irrigators with commercial buying group, off-grid and other opportunities to escape unsustainable pricing mechanisms and to enable irrigators to be sustainable.

Figure 1. Average network prices paid by irrigators in Queensland compared to prices paid in other parts of Australia (cents per kWh)





Warrego Floodplain, Queensland

Copyright National Irrigators' Council

Entitlement Framework: Key messages

- Irrigators must be engaged at the earliest opportunity to discuss any proposed changes to the entitlement framework and assist to identify the real impact on consumptive water users – not only the modelled impacts.
- The NIC recognises that changes to the entitlement framework may be mutually beneficial, provided rules are applied consistently across all owners.
- The NIC will judge proposed changes to the entitlement framework against NIC principles.
- It is unacceptable for the MDBA to propose changing characteristics of certain entitlements without first undertaking a full analysis of how entitlements can best be used under all current operational conditions, including carryover and spill rules.
- The Commonwealth and related agencies must not assume State authorities have undertaken consultation:
 - The NIC will act as a conduit to ensure the relevant irrigation stakeholders are consulted and provided every opportunity to be engaged in changes that may have a local impact.
- The benefits cited for proposed changes must be derived by robust examination of all relevant factors/evidence.
- Before a change is proposed to improve the delivery of environmental water, there should be proper examination of whether current arrangements are being fully utilised.
- Any changes must be agreed by all affected parties before implementation.

Metering and Monitoring the use of Environmental Water: Key messages

- Environmental Water Holders (State and Federal) need to work with local stakeholders to outline the specific objectives they want to achieve out of their environmental water portfolio for each valley in which water is held.
 - Local stakeholders must be engaged to ensure 'localism' can work;
 - Objectives must be based on clearly defined ecological and hydrological baselines;
 - Baselines must be evidence based and publicly available.
- Objectives need to be:
 - fit for purpose and recognise that a flow based solution has some limitations in achieving good environmental outcomes;
 - specific enough to be measurable; and
 - include indicators that demonstrate improvements over time rather than reporting conditions only at specific points in time.
 - For example The 'River Murray and fringing wetlands' is too broad to effectively monitor outcomes. The MDBA identified 18 hydrologic indicator sites¹ that would provide a more localised but representative monitoring area.
- Environmental watering must be measurable.
 - Site specific watering at locations such as Hattah Lakes or through the Koondrook-Perricoota cutting must be metered just the same way as consumptive diversions are metered.
 - Assumptions for water use in over-bank flows must be explained.
- Environmental water holders must report publicly against the objectives including:
 - Where objectives have been met and where they are not met and why;
 - Where watering occurred in isolation or in association with natural events or where outcomes were achieved only through natural events.
- All monitoring programs under the different jurisdictions must be cooperative and consistent.
 - Outcomes from one program must inform other programs;
 - State and federal agencies must share knowledge and avoid duplication.
- All reporting of environmental water should be viewed in the context of social, economic and environmental outcomes.
- Legacy costs must be properly determined.
 - Environmental programs for the "public good", including monitoring programs, must be funded by the "public purse".

¹ Guide to the Proposed Basin Plan, Technical Background, Volume 2, Part 1, MDBA, 2010, p92



Loading sugar for export
Bundaberg, Queensland

Copyright Bundaberg Regional Irrigators Group

Constraints Management Strategy: Key messages

- The National Irrigators' Council will fully engage in all phases associated with the development and implementation of the Constraints Management Strategy (CMS)
- The MDBA's modelling which underpins the CMS and the recovery of an additional 450 gigalitres known as the 'Hydrologic modelling of the relaxation of operational constraints in the southern connected system: Methods and results October 2012' makes it clear that the benefits of the additional 450 gigalitres of water will only be realised if the eight key constraints are all relaxed. If the eight key constraints cannot be relaxed within the \$200 million allocated, the NIC queries the rationale for spending a further \$1.57 billion to recover an additional 450 gigalitres LTAAY.
- We do not support compulsory acquisition of easements or any other private property
- We do support maximum use of environmental water which may result in achieving environmental outcomes and benefits including achieving offsets with less water and with no third party impacts.
- We strongly support adherence to the statement in the Constraints Management Strategy 2013-2014 document namely:
 - The Strategy does not put forward anything that would mean individual water entitlements would change. One of the Strategy's overarching principles is that there will be no new risks to entitlement holders.
- While we support genuine and effective engagement and consultation with local committees and communities, the CMS process must also take into account any potential broader impacts across the Basin
- We believe that all activity in relation to the CMS be undertaken without negatively impacting third parties; where potential third party impacts are identified the activity should not proceed.
- There appears to be no clear articulation of the environmental, social and economic benefits of the CMS.

Environmental Water Recovery: Key messages

- The commitment to cap buyback at 1,500GL must be maintained.
- There must be no acquisition of 'up' water until the Government has proven it is using 2,750GL fully and effectively.
- All water recovery must uphold the triple bottom line principles and must have either neutral or improved social and economic impacts for the communities from which the water is being removed.
 - There needs to be transparency about the social and economic impacts of water recovery.
 - The "public good" argument is of no consequence to the people of an irrigation town if their major industry collapses.
- The Commonwealth must focus on achieving in valley targets first.
 - Where surplus water has been acquired it must either be:
 - Credited to the downstream recovery in connected systems; or
 - Returned to the consumptive pool in terminal systems by resale of entitlement.
 - No further water recovery should take place in a terminal system where the in-valley target has been reached.
- The Government must consider all market options as part water recovery process.
 - The focus does not need to be on permanent entitlements.
- The Government must consider innovative and collaborative ways with a whole of Government focus to enable water recovery.
- The SDL adjustment mechanism must be explained.
 - What is the benchmark model?
 - Have the TLM projects been taken out of the benchmark model as requested by then Minister Burke?
 - What projects have been proposed and what offsets are they expected to achieve.

Groundwater – surface water trading: Key messages

- As the body of knowledge regarding surface water in Australia is greater than that of ground water, the National Irrigators' Council urges the MDBA move forward carefully on this issue, in large part due to the complexities around ground water.
- The Murray Darling Basin Authority (MDBA) must clarify the scope of proposed trading between groundwater and surface water as a first step.
- Irrigators must be engaged with Commonwealth and State agencies in the development of the trading framework at an early stage.
- We recognise that trade between groundwater and surface water may be beneficial providing the trading framework ensures water entitlements retain their characteristics of timing, reliability and volume.
- The trading framework should ensure there are no negative third party impacts as a result of trading between groundwater and surface water.
- We do not believe the further development of groundwater trade rules, particularly for surface/groundwater trade and inter-aquifer trade, should be a high priority work program for the MDBA.
- Where trade rules are developed, the priority should be on ensuring the rules codify existing market practice.
- Any development of trading rules must be done with extensive consultation with entitlement holders at a catchment level.



Maude
Weir on the
Murrumbidgee

Copyright National
Irrigators' Council

MDBA Institutional Arrangements: Key messages

- The Water Act and the Basin Plan require multiple agencies to be responsible for planning, managing and monitoring environmental and consumptive water use and reporting.
- There remains a lack of clarity about how the agencies work together to complement rather than duplicate what others are doing.
- There must be an ongoing effort to reduce duplication and streamline regulation related to the Water Act and the Basin Plan in an effort to minimise costs and maximise efficiencies.
- The cost of delivering joint programs under the Murray-Darling Basin Agreement must be open and transparent and should be put through an independent determination process as applies to other bulk water agencies.
- The cost of fully implementing the Basin Plan and delivering the associated environmental water portfolio must continue to be met by the Commonwealth to reflect reform in the 'national interest'.
- Reviews and planning of water reform and management must draw on local and water industry expertise.

Northern Basin Review: Key Messages

- The Northern Basin, and the individual valleys that comprise it, is genuinely different to the Southern Basin, each having its own characteristics determined by hydrology, community, environment, society and development; a different approach to the Basin Plan is warranted in both Basins.
- The NIC does not support the transfer of any negative impacts from the Northern Basin to the Southern connected Basin.
- There is in-principle support for the Northern Basin Review and the Northern Basin Advisory Committee provided it operates to a clear Terms of Reference and undertakes a process of genuine engagement with irrigators in all SDL regions of the Northern Basin to address issues raised in the development of the Basin Plan.
- The MDBA has failed to develop a case for change to existing diversion limits in the Northern Basin established via State based legislation. On this basis, the NIC rejects the SDLs that have been set for the Northern Basin as being too low, particularly in the absence of a review of the performance of the existing limits and targets imposed by stated based legislation.
- Further, the NIC rejects the "just add water" approach that underpins the Basin Plan.
- The NBAC must have the power to directly influence upward revision of the SDLs in each of the northern SDL regions where it can be demonstrated that environmental targets can be achieved with less water.
- The Council supports efficiency projects including both environmental works & measures and irrigation efficiency projects, as the preferred way of recovering water where there is a residual gap to meet SDLs. These projects must be developed in consultation with irrigators in all SDL regions of the Northern Basin to ensure no third party impacts.



History of Irrigation

The first major irrigation schemes were introduced in Australia during the 1880s. In 1915 the River Murray Waters Agreement was signed, establishing basic conditions for the river's water use which remain in force today.

Following negotiations beginning in 1985 the Murray–Darling Basin Agreement was signed in 1987 which established the Murray–Darling Basin Commission. In its initial form, the Murray–Darling Basin Agreement was as an amendment to the River Murray Waters Agreement. Five years later, in 1992, a totally new Murray–Darling Basin Agreement was signed, replacing the River Murray Waters Agreement. The Agreement was given full legal status by the Murray–Darling Basin Act 1993 which was passed by all the contracting governments. Queensland and the Australian Capital Territory later joined the agreement.

The stated purpose of the Murray–Darling Basin Agreement was 'to promote and coordinate effective planning and management for the equitable, efficient and sustainable use of the water, land and other environmental resources of the Murray–Darling Basin'.

To achieve this, the Agreement established new institutions at the political, bureaucratic and community levels. These were:

- the Murray–Darling Basin Ministerial Council (MDBMC);
- the Murray–Darling Basin Commission (MDBC); and
- the Community Advisory Committee (CAC).

The lack of satisfactory progress under the Murray–Darling Basin Agreement and the emergence of a variety of water policy problems elsewhere in Australia led to the adoption of the National Water Initiative in 2004. Key elements of the Initiative included promotion of water trading and a commitment to restore at least 500 gigalitres of environmental flows to the Murray Darling Basin.

The Commonwealth Water Act 2007 commenced in March 2008 and was amended by the Water Amendment Act 2008 in December 2008 following the March 2008 Memorandum of Understanding on Murray Darling Basin Reform and the July 2008 Intergovernmental Agreement on Murray Darling Basin Reform.

The Murray Darling Basin Authority (MDBA) was established under the federal Water Act 2007 as an independent, expertise based statutory agency. The MDBA is the body responsible for overseeing water resource planning in the Murray–Darling Basin. The Water Act also established the Commonwealth Water Holder (CEWH) to manage the Commonwealth's environmental water.



Loading cotton
for export to
China
Auscott,
Nevertire, NSW

Copyright National
Irrigators' Council



Almond Orchard, Loxton, South Australia

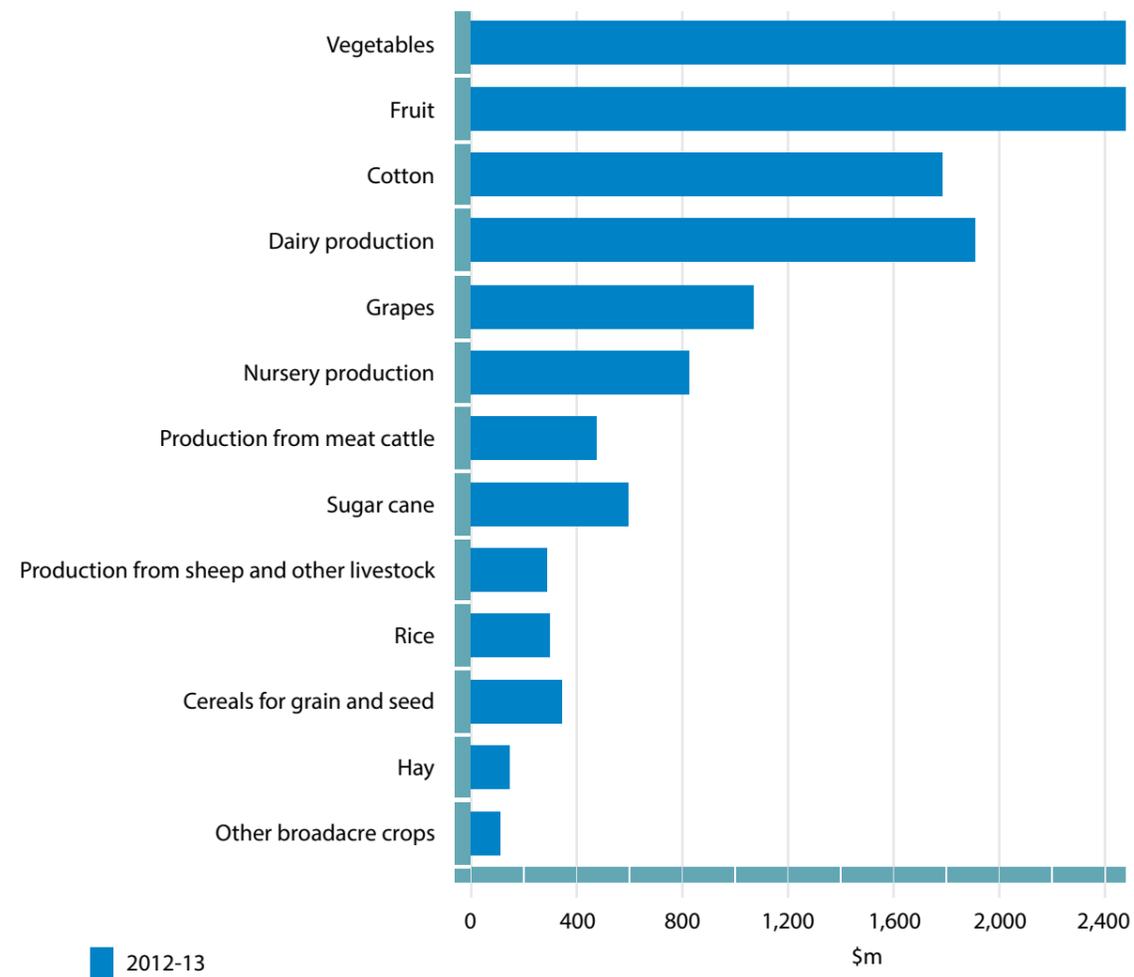
Copyright Central Irrigation Trust, SA

Irrigation Facts

Australian irrigators perform a vital role in feeding and clothing the Australian nation and the world making a major contribution to the social and economic wellbeing of many rural communities and to the national economy. Irrigation occupies a small portion of land in Australia. The total gross value of irrigated agricultural production in 2012-13 was \$13.4 billion, representing 28% of the total gross value of agricultural production for Australia.

[Reference: Australian Bureau of Statistics]

Gross Value of Irrigated Agricultural Production, 2012-13(a)



Irrigators operate in all states of Australia producing a variety of fresh and bulk foods and other commodities. Major irrigated foods include fruit and vegetables, dairy products, nuts, rice, fruit juice, wine, sugar, cereal grains and sheep and beef cattle. Sustainable irrigation is the key that has made the Australian cotton industry a global leader and a highly sought after product.

The Millennium Drought, the worst in 110 years, saw the lowest inflows on record in the Murray-Darling Basin in 2006. Water use by irrigation in 2007-08 and 2008-09 was around one third that of pre-drought levels. In 2007-08 and 2008-09 overall water use in irrigation was down to about 31% and 33% respectively of the 2000-01 value.

[Reference: Australian Agricultural & Resource Economics Society, Feb 2012.] The gross value of irrigated agricultural production in the Murray-Darling Basin has recovered strongly following the Millennium Drought and increased from \$4,349 million in 2008-09 to \$6,691 million in 2011-12. Some of the main reasons for this increase include good rainfall in some areas, productivity gains and better use of water on farms.

Access to Water

Agriculture uses 65-70 per cent of the water consumed in Australia per annum and irrigation uses 90 per cent of that. The vast majority of irrigated water use is controlled by regulations and licences. Irrigators need an authorised allocation to extract specified amounts of water from rivers or bores (groundwater) or from irrigation supply systems. For some products such as rice, irrigators require special permission from governments to grow the crop.

Irrigators do not have a guaranteed right to water every year. In surface water systems they have water entitlements that allow them a percentage share of the available pool of water every year.

Governments make allocation announcements throughout the year based on the needs of the environment and urban communities and the amount of water stored in dams, rainfall and run-off or the amount of water flowing in rivers and streams.

The amount of water available for irrigation varies from year to year, as does the level of production from water use. During the Millennium Drought, Australian rice production virtually ceased, cotton production declined and dairy farmers substituted purchased grains and other feed for irrigated pastures.

Some irrigators rely on delivery of water through government or privately owned schemes and channels, while others pump directly from rivers into private dams, subject to strict government rules.

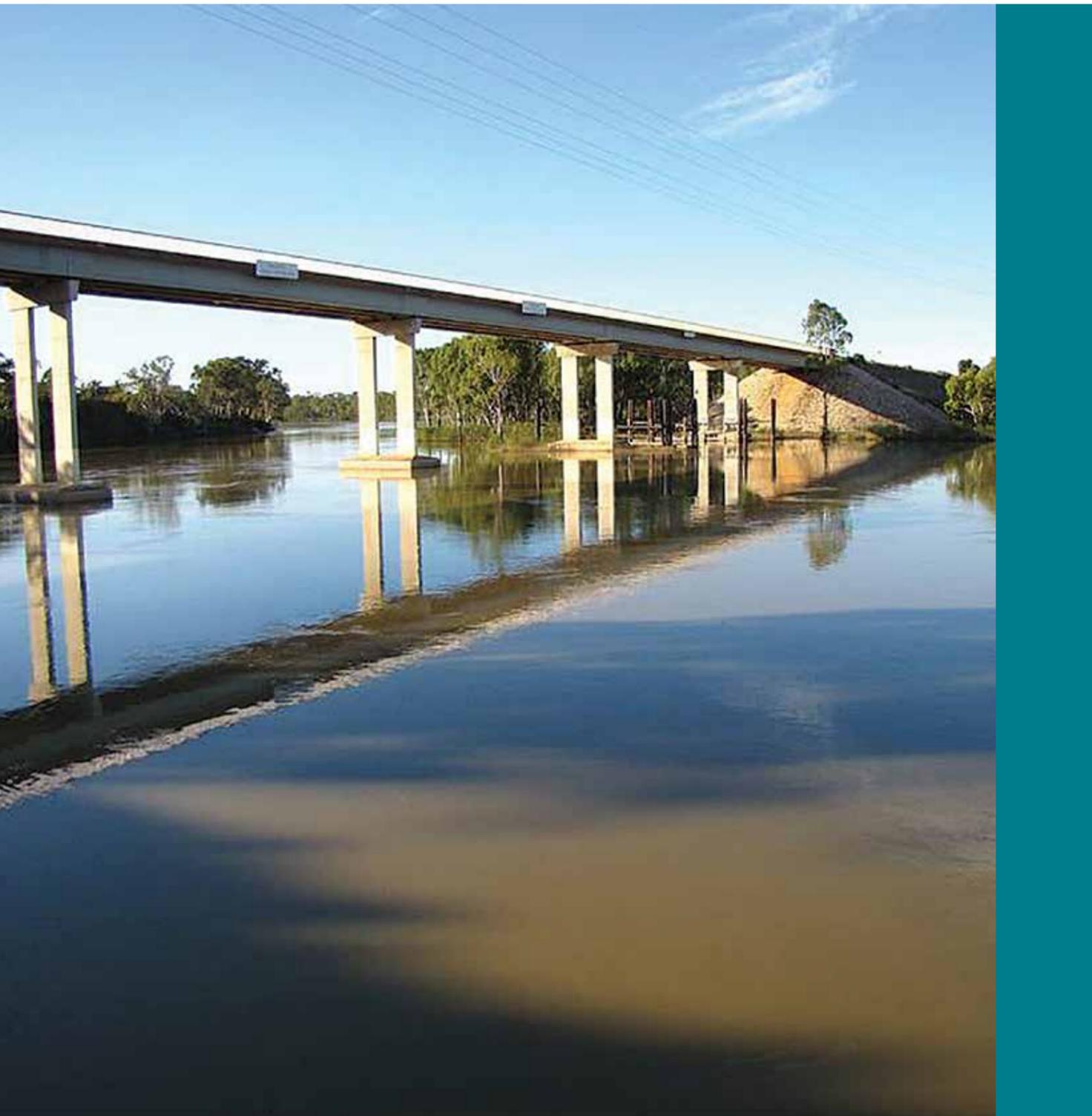
Water Statistics

In 2012-13, 43% of Australia's agricultural water (5.1 million megalitres) came from irrigation channels, 25% (2.9 million megalitres) was sourced from rivers, creeks and lakes. Groundwater made up 16% (1.9 million megalitres) and on-farm dams and tanks accounted for 15% of agricultural water (1.8 million megalitres).

Water supplied by irrigation channels was the major source of water for agriculture in the Murray-Darling Basin, accounting for 49% of agricultural water sourced in the region (4.2 million megalitres).

Outside of the Murray-Darling Basin, groundwater was the major source of water for agriculture at 35% (1.2 million megalitres). [Ref: ABS: Water Use on Australian Farms, 2012-13.]

A number of Australia's agricultural industries depend on irrigation. These have developed around irrigation schemes, particularly in the Murray-Darling Basin (which covers parts of the mainland eastern states as well as South Australia). In 2010-11 irrigated agriculture used less than one per cent of agricultural land in Australia but made up nearly 30 per cent of the gross value of agricultural production. The major irrigated industries, by value, are vegetables, fruit (excluding grapes) and dairy. [Ref: Department of Agriculture: ABARES Research report Research Report, February 2014.]



River Murray at the Kingston Bridge,
Riverland, SA

Copyright Central Irrigation Trust, SA

With the global demand for food and fibre steadily rising, Australia is well positioned to respond to this demand. Successful agriculture is reliant in many respects on farmers having access to reliable and secure water resources.

Future opportunities are presented for the National Irrigators' Council to play a role outside the Basin, with the Commonwealth Government's push to develop northern Australia with irrigated agriculture as a key component, the Ministerial Dams Taskforce, the self-management reforms in Queensland and the new irrigation greenfields sites in Tasmania.

Environmental Focus

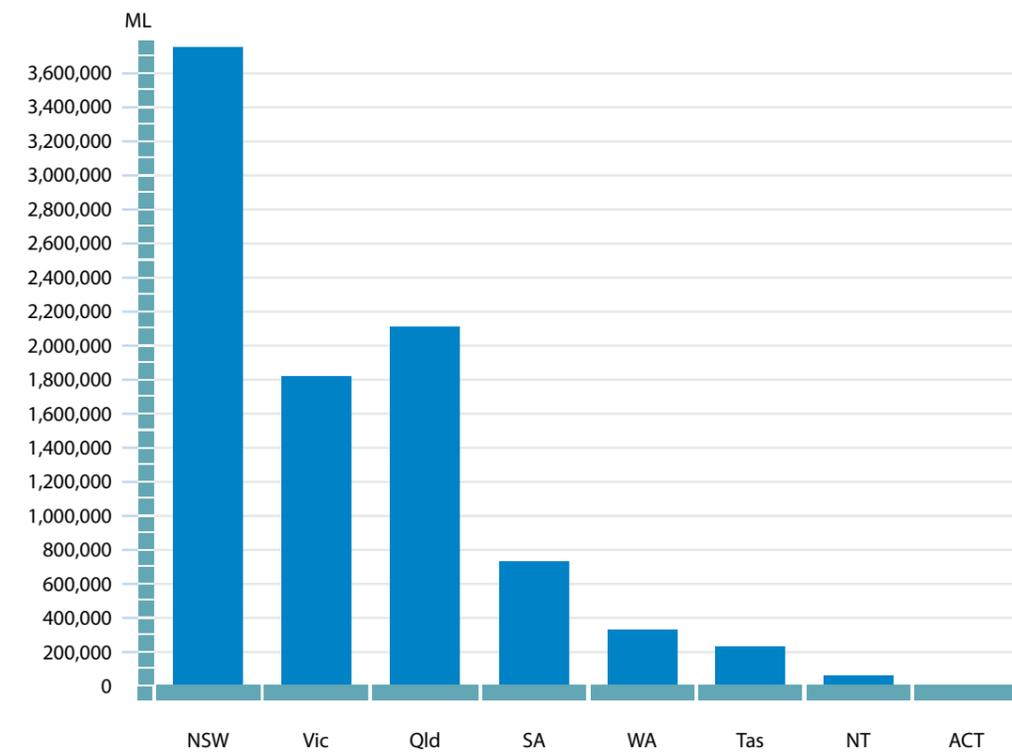
Sustainable irrigation practices are the key to Australia's ability to continue to produce food and fibre. In 1995, a 'cap' was introduced for diversions in the Murray Darling Basin. The 2012 Basin Plan, developed under the Water Act 2007, provides a coordinated approach to water use across the Basin's four States and the ACT. Introduced over a period of seven years, the Basin Plan aims to achieve a balance between environmental, economic and social considerations.

The Plan limits water use at environmentally sustainable levels by determining long-term average Sustainable Diversion Limits for both surface water and groundwater resources.

The National Irrigators' Council lists the importance of a healthy environment at number one on our Statement of Principles.

Irrigators will continue to play a key role in the water reform process.

Agricultural Water Use



■ 2011-12

[Ref: Australian Bureau of Statistics.]



Copyright National Irrigators' Council

National Irrigators' Council
14-16 Brisbane Avenue
BARTON ACT 2600
www.irrigators.org.au
Follow us on Twitter: [nat_irrigators](https://twitter.com/nat_irrigators)



National Irrigators' Council
Food and fibre for the Nation