

Parliamentary Inquiry asked to 'Recognise Irrigators' Contribution'

Australia will not achieve its goal of being a food bowl for Asia without a healthy, efficient and growing, irrigated agriculture sector the National Irrigators' Council (NIC) has told a Parliamentary Inquiry.

The [House of Representatives Standing Committee on Agriculture and Water Resources is holding an inquiry into water use efficiency in Australian agriculture. NIC's submission to the inquiry has made 12 recommendations](#) aimed at ensuring irrigation Australia wide and in the Murray Darling Basin is able to make its key contribution as a sustainable supplier of fresh food and natural fibre for Australian and international markets.

NIC CEO Steve Whan said "global demand for food is expected to increase by 35% (from 2007 levels) by 2025 with 60% of that growth in China and India. A big part of that increased demand will be in key irrigated products dairy and fruit and vegetables.

"Australian Governments and Australian people see supplying that demand as one of the key ways Australia will generate its export income and jobs in the future.

"Australian Irrigators have made huge strides in water efficiency and they are now among the world's most efficient. That's not just driven by Government funded programs, it also involves industry investment, crop research and innovation.

"Our submission highlights the contribution irrigators have made and the way future efficiency programs should be run to enhance agricultural productivity and economic benefit while at the same time achieving healthy rivers and environment.

"As the Murray Darling Basin plan continues to be implemented we have asked the Parliamentary committee to (among other things) recognise the negative impacts on communities of taking away productive water; to acknowledge the importance of achieving environmental outcomes, not just water targets; and to recognise that efficient and sustainable irrigation can grow in Australia to help meet the Nation's food and fibre production objectives.

"We have also raised with the committee the major problem of electricity prices for irrigated agriculture and the fact that more efficient water use often means higher electricity use.

"NIC welcomes the opportunity to contribute to this inquiry and looks forward to its findings."

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NIC Recommendations

Recommendation 1: *The Committee note the role of irrigated agriculture in the task of supplying food and fibre to Australians and by generating export revenue to the living standards of all Australians – particularly in regional communities. The committee agrees that irrigated agriculture has a key role to play in meeting Australia’s aim of helping to meet growing demand for food and fibre in Asia. To do that Australia will need to see a growth in productivity driven in part by a growth in sustainable irrigated agriculture in existing and new irrigation districts.*

Recommendation 2: *The Committee note that significant progress has been made on achieving the goals for return of water to the Murray Darling Basin and while recognising significant challenges remaining in implementing the remaining stages of the Plan, acknowledges that irrigators and irrigation dependent communities have made a significant contribution to progress to date.*

Recommendation 3: *The Committee acknowledge that most of Australia’s irrigation companies and irrigation farmers are at, or pursuing best practice, and are among the world’s most efficient and productive irrigators.*

Recommendation 4: *The Government introduce, through ARENA (Australian Renewable Energy Agency), a national irrigation energy productivity program. The proposed \$250 million program would comprise R&D, demonstration pilots, extension and outreach, and training for service providers, linked to a capital fund that farmers can access for new infrastructure. In a variation from existing ARENA programs, funding criteria would embrace the portfolio of measures required to optimise energy productivity and sustainability and would not be restricted to renewables. Funded works would include digital control systems, pump and layout optimisation and hybrid energy solutions (eg network energy supplemented by solar). The program would also cover energy planning for irrigation districts to identity demand management, load shifting and distributed generation opportunities.¹*

Recommendation 5: *The Committee agree with the legislated 1500 GL cap on buybacks and does not support further buybacks to achieve Basin Plan goals.*

Recommendation 6: *The Committee urge Basin governments and the MDBA to ensure that SDL offset measures are secured to achieve the full 650GL in offsets available consistent with the Murray Darling Basin Plan.*

Recommendation 7: *The Committee recommend that the COFFIE Program (Commonwealth on-farm Further Efficiency Irrigation), in its current form, be discontinued and that further consultation occur with industry and Basin communities about more effective and better targeted ways to utilise the funds.*

Recommendation 8: *That the Committee endorse the resolution from Basin Ministers and recommend that efficiency measures aimed at meeting the 450GL ‘up-water’ goal only proceed if they are able to meet the original commitment that they either improve, or have no negative impact on, communities as determined by a more thorough community impact test.*

Recommendation 9: *The Government recognise that there is an ongoing role for National programs (separate to programs designed to achieve Murray Darling Basin objectives) to fund new irrigation infrastructure and on and off farm efficiency programs in existing irrigation areas. The efficiency aspects of these programs could involve part funding of projects with 100% of water saved able to be retained for increased agricultural production.*

¹ Agriculture Industries Energy Taskforce

Recommendation 10: *To address the impact of high energy costs on viability of agriculture, NIC recommends:*

- *A 30% reduction in the regulated electricity prices based on the 2014-15 financial year*
- *A medium to long term price averaging 8 cents per kilowatt-hour for the electrons and 8 cents per kilowatt-hour for the network.*
- *A rule change via the Australian Energy Market Commission (AEMC) to change the way electricity networks' regulated asset base (RAB) is calculated.*
- *A national food and fibre tariff model.*
- *A water energy productivity program designed to fund and accelerate the adoption of energy solutions*
- *Fundamental reform of the National Electricity Market (NEM) to address the lack of genuine competition, the operation of the bidding process and a market where consumers' interests are fairly represented.*
- *Stability and certainty in national energy policy to allow investment.*

Recommendation 11: *The Committee support the Government's continued commitment to reduce red tape for the agriculture sector*

Recommendation 12: *The Committee support the agreement of Basin Water Ministers to continued development of a method for assessing the benefits of embedding complementary measures as a key element of achieving Basin Plan outcomes.*