



# National Irrigators' Council

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## Independent Panel Water for the Environment Special Account review

Dear panel members

Thank you for the opportunity to comment on the Water for the Environment Special Account (WESA) review. NIC and a number of our members have participated in the consultation sessions and we provide this brief submission to emphasise a number of the points we raised.

NIC recognises that the narrow terms of reference for the review are the result of the requirements set out in the legislation.

Nevertheless, we feel that it is important to highlight several key issues that are outside the terms of reference as they do directly impact on the likelihood of success.

As a general point it would be fair to say that no irrigator groups like or support the 450GL component of the Basin Plan. When the negative impacts of buyback to date are taken into account it does make it clear why communities do not want any more water taken from production.

Unfortunately, this is a legislated part of the Basin Plan and it is noted that the review panel is not being asked to determine if it should exist at all. We would reiterate that the promise was very clearly made to communities that if 450GL was to be achieved, it must genuinely be with no negative impacts.

There is little chance of anywhere near 450GL being achieved. That would be seen as a positive outcome by some. We have a very real concern however, that if a reasonable and genuine effort is not made to achieve the outcomes then a future Government may decide to buy the water (even though that is currently not allowed by the legislation).

### **Issues outside the terms of reference:**

**450GL as 'held' water** – the WESA is designed to achieve the 'Schedule 5' environmental outcomes in the Basin Plan. These outcomes are largely in South Australia.

NIC's view is that the program's fundamental flaw is that its measure of success is in obtaining a volume of held water leading to specified flows. It is not – as it should be – measuring success in terms of achieving the stated environmental outcomes.

The result of this is that the program is currently incapable of looking at alternative ways of achieving the outcomes. These might include infrastructure (supply type) measures or other initiatives around management of water.

The strong view of our members (including those who live in South Australia near the assets supposed to be improved as part of this), is that the environmental outcomes will not be achieved because it will not be possible to achieve the necessary flows to get the water over bank and into the designated areas.

We note that the Productivity Commission, as part of its five-year Review, also highlighted issues with capacity to achieve flows.

While recognising that this is outside the panel's terms of reference, NIC feels it is important that the panel include observations on this issue and in particular, a recommendation suggesting amendments to ensure that:

- The objectives for the WESA focus on achieving environmental outcomes rather than a 'held' water target;
- The outcomes are achieved through a range of means other than flow, including potentially infrastructure or supply type measures, operational changes etc;
- The recommendations from the Productivity Commission be actioned.

## **Comments on issues highlighted by discussion paper**

### ***Delivering constraints projects***

Constraints projects are not on track for completion by 2024. These are complex projects requiring negotiation and agreement with a large number of land holders. To date there has been very little progress on these projects, which are a core part of the SDLAM (Sustainable Diversion Limit Adjustment Mechanism) suite of projects. A failure to deliver these will see more water being recovered by Government from irrigators.

NIC is strongly opposed to any further buyback and that is why we are advocating a better effort on the SDLAM projects.

It is clear that very little progress is being made by the State Governments who are responsible for the delivery of the constraints projects. NIC questions whether there is the political will to even pursue what are complex, controversial and difficult tasks.

To date, community debate has been dominated by negative issues, particularly by landholders who are concerned about the implications of flooding private property.

The other understandable negative in some sections of the community is the fear that reducing constraints will enable more water to be traded out of area, thus compounding the negative impacts some upper river communities have already felt from the whole water reform process.

Constraints are a key to delivering a number of components of the Basin Plan and may be seen by some, as ‘hostage’ projects that impact and/or stop implementation of other elements of the Plan or protest poor river management which affects water availability, price and reliability.

These concerns must be addressed comprehensively and satisfactorily as part of a thorough locally based process. NIC recognises that it may not be possible to satisfy 100% of landholders in this process. However legitimate issues must be addressed and then Governments will need to show a willingness to make decisions that are in the interests of the majority.

The positives of the projects seem to be missing from any of the discussion so far. Potentially they include:

- Substantial investment in new infrastructure for affected land holders enabling them and their businesses to be less inconvenienced by flood and adding capital value to their properties;
- Jobs and economic activity in communities during the construction period for the enhanced infrastructure;
- The opportunity to run the rivers with much more fluctuation, including with overbank flows, that will reduce the significant environmental damage caused by running the rivers at high levels for long periods;
- The potential to reduce ‘socialised’ losses that impact negatively on allocations;
- The potential for floodplains to be replenished or refreshed by flood flows, providing long term benefit to their productivity.

It is not yet clear which of these benefits are realistic and at what cost – simply because so far, proponent Governments have done next to nothing to define them, or inform the community.

For the same reason we are unable to offer an opinion on whether the funding set aside as part of the WESA and the SDLAM is adequate.

We would urge the committee to recommend flexibility in every part of this program. Focusing on outcomes, not restrictive determinations about projects, having to be the particular ones listed. If there are alternatives identified they should be pursued.

### ***Delivering 450GL by 2024***

The Productivity Commission’s comprehensive five-year review of the Basin Plan made it very clear that achieving 450GL in ‘efficiency’ savings by 2024 would be

difficult. NIC would go further to say that on current settings, with the current budget, it is impossible.

There is a fundamental question of whether that matters. There is a substantial number of communities and irrigators who would be happy to see the 450GL not recovered as held water. From a NIC perspective, we do not support more water taken out of productive use.

However, we recognise that the 450GL, for better or worse, is a part of the legislated Basin Plan and our concern in the longer term is that a future Government might attempt to convert the 450GL into a straight buyback to satisfy an expectation in some quarters, that the Plan will amount to '3200 GL in savings'.

On that basis NIC takes the view that we should seek to cooperate in identifying ways of achieving the outcomes (noting outcomes) which do not cause negative impacts for irrigators and their communities.

There are a number of reasons why the current program is not achievable, including:

- inadequate funds in the current conditions
- almost no progress to date
- over reliance on programs seeking on-farm projects, and
- lack of community support and lack of Government support.

This is a program that was initially promised to be delivered only if it was able to produce improved, or at least no negative, community and social impact. It has taken literally years to achieve recognition that this had to include flow on impacts to communities and irrigation districts of removal of productive water.

So far, this program has attempted to secure water via tenders for efficiency projects. It has received a very poor response. That indicates firstly that the 'low hanging fruit' has been taken and that farmers value their remaining water a lot higher than even the current market prices.

Farmers remain very interested in improving their on farm efficiency. The price of water drives that as well as the driver of improving return per ML. There would be some who would like to take up Government funded efficiency programs but not in the numbers that would make this program a success – and at this stage they would not be supported by their communities.

NIC has advocated for some time that Government needs to make this a much more 'community up' process involving genuine engagement with communities. It will not work with centrally administered funds seeking partners and businesses to deliver projects.

Fundamental change is needed if there is to be any likelihood of achieving outcomes.

In brief that means:

- The objectives of the program must focus on the environmental outcomes not the held water target;
- Allowing a broader range of solutions to achieve environmental outcomes;
- Recognising that flow targets are not the answer and are possibly not deliverable (as highlighted by the PC review);
- A more deliberate and genuine effort to engage the relevant entities to encourage urban and industrial water savings to contribute;
- Considering other sources of water to contribute to Basin Flows;
- Allocating funding to enable community and regionally driven ideas to be pursued to design projects which match a community's own objectives for its future;
- Recognising that current funding is not adequate.

NIC would be happy to provide further comment if required.

Thank you again for the opportunity to contribute.

Yours sincerely



Steve Whan  
CEO  
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