



National Irrigators' Council

Annual Report

2020 - 2021

www.irrigators.org.au

Introduction

Created in 2008 to represent the interests of irrigation entitlement holders, the National Irrigators' Council (NIC) is the voice of irrigators across Australia. It aims to develop projects and policies to ensure the efficiency, viability and sustainability of Australian irrigated agriculture and the security and reliability of water entitlements and to promote those projects and policies with a view to having them adopted or ratified by governments, statutory authorities and other groups and organisations.

A summit of representative groups across the industry recognised the need for a strong, independent and unified voice for irrigators across Australia, particularly with the Commonwealth Government playing a greater role in water policy. NIC members are not individual irrigators, but their respective representative organisations. An 'irrigator' is defined as "a person or body with irrigation entitlement for commercial agricultural production".

The NIC is committed to representing all irrigators, no matter where they are or what they produce. The Council meets regularly to discuss and debate matters of policy. Adoption of policy is on a consensus basis.

This Annual Report 2020-21 outlines the activities of the NIC for the year and its plans for the future. It also outlines the current positioning of the NIC, the industry and relevant public policy positions.

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Our **vision** is for a vibrant, respected and sustainable Australian irrigation industry

Overview

The NIC is the peak body representing irrigators in Australia, supporting thirty-one (31) member organisations across the Murray Darling Basin States and irrigation regions around the country. We represent major agricultural commodity groups with members collectively holding over 5,000,000 megalitres of water entitlement.

NIC is the voice of irrigated agriculture and the industries producing food and fibre for domestic consumption and significant export income. Our policy and advocacy is dedicated to a viable and productive irrigated agriculture sector in Australia. In 2017-18, total Gross Value of Irrigated Agricultural Production (GVIAP)* increased to \$17.7 billion (up 14%). The four commodities with the highest GVIAP were:

- Fruit and nuts (excluding grapes) at \$4.2 billion (up 20%)
- Vegetables at \$3.4 billion (up 3%)
- Cotton at \$2.3 billion (up 52%)
- Dairy products at \$2.2 billion (up 37%).

100% of AUSTRALIAN RICE is grown by irrigation

Other irrigated commodities contribution to GVIAP:

- Nurseries, turf and flowers \$1.4 billion
- Sugar cane \$684 million
- Cereals \$380 million
- Hay and other broadacre crops \$291 million
- Rice \$246 million.

90% of Australia's **FRUIT, NUTS & GRAPES** are grown using irrigation

76% of AUSTRALIA'S VEGETABLES are grown by irrigation farmers

50% of Australia's **DAIRY & SUGAR** is produced thanks to irrigation

*Australian Bureau of Statistics: Total Gross Value of Irrigated Agriculture Production in Australia, 2017-18





Our **mission** is to
secure the long-term
interests of our members
and our industry

Our Values

- 1. Community**
Our members want strong, healthy and vibrant communities, because they are locals too.
- 2. Collaboration/Bipartisanship**
We will seek to collaborate and engage with stakeholders from all walks of life to discuss issues, explore ideas and work together to achieve solutions.
- 3. Integrity**
Trust, honesty, truth and respect are what we will bring to the table and what we believe we see in others.
- 4. Leadership**
We will strive to represent our members, their local communities and those directly and indirectly involved in irrigation to advocate for a strong sector which benefits all.
- 5. Prosperity**
We will seek policy settings which enhance the economic, social and environmental prosperity of members and their local communities.
- 6. Sustainability**
Our members understand that water is a precious resource and as such seek to promote best practice in water use and management, including through partnerships with environmental water holders.
- 7. Innovation**
Our members are committed to investing in and promoting technology, and best practices in water and energy.



Our Principles

- Irrigators understand sustainable communities and industries depend on a healthy environment and river system
- Irrigators expect water property rights to be secure, protected and recognised
- Irrigators expect characteristics of water entitlements and rights to not be altered by ownership
- Irrigators do not accept negative third-party impacts on water reliability or availability, however should they occur, impacts must be compensated or mitigated through negotiation with affected parties
- Irrigators believe water and energy are issues affecting all Australians and should be a bipartisan public policy area
- Irrigators need affordable and reliable energy to ensure the sector remains sustainable and competitive
- 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
- Irrigators expect regulatory reform cost burdens must be minimised and apportioned equitably
- Irrigators understand the importance of social license for the industry to operate and agree to work towards environmental, social and economic outcomes for local communities.



Our Objectives

Continue to be recognised by government & industry as the national peak body for irrigated agriculture

Protect the security of water as a property right

Promote the importance of irrigated agriculture & enhance its social license

Advocate for affordable & reliable energy for the productive sector





Our Members

Our members represent a diversity of organisations from food and fibre industries and irrigation infrastructure operators. Council members are not individual irrigators but members of their respective representative organisations.

Members have 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 face to face three times per year to discuss and develop key policies and advocacy. Adoption of policy is on a consensus basis.

Our current members are based throughout Queensland, New South Wales, Victoria and South Australia, but as a national organisation we are open to members from across Australia.

Current NIC members:

- Almond Board of Australia
- Auscott Limited
- Argyle Capital Partners
- Bega Cheese Limited/Tatura Milk Industries
- Barossa Infrastructure Ltd
- Barwon Darling Water
- Border Rivers Food and Fibre
- Central Downs Irrigators Ltd
- Bundaberg Regional Irrigators Group
- Coleambally Irrigation Co-operative Ltd
- Central Irrigation Trust
- Duxton Capital
- Cotton Australia
- Irrigation Australia Ltd
- Gwydir Valley Irrigators Association Inc
- Lachlan Valley Water
- Kilter Rural
- Macquarie River Food and Fibre
- Murrumbidgee Groundwater
- Murrumbidgee Private Irrigators' Inc
- Renmark Irrigation Trust
- Olam Orchards Australia Pty Ltd
- Riverina Winegrape Growers
- Pioneer Valley Water Co-operative Ltd
- Ricegrowers' Association of Australia Inc
- Smarttrivers
- South Australian Murray Irrigators
- Western Murray Irrigation Limited



Our Board



Jeremy Morton
Chair

Jeremy was elected to the NIC board in October 2018, and appointed Chair in October 2020. Jeremy is a rice farmer from Moulamein in Southern NSW and has been President of the Ricegrowers Association of Australia since 2015. He was born in Swan Hill and has been an active participant in community activities and the implementation of the Murray Darling Basin Plan over many years.



Karen Hutchinson
Deputy Chair /
NSW Representative

Karen was elected to the NIC Board in 2014 and appointed Deputy Chair in October 2019. Karen is part of the senior management at Murrumbidgee Irrigation Limited. She has been at the cutting edge of water policy development for the last decade and is currently a member of the MDBA's Basin Community Committee. Karen has an Honours degree from the Australian National University, is a graduate of the Australian Institute of Company Directors and was awarded the prestigious RIRDC NSW Rural Woman of the Year in 2011.



Michael Murray
Chief Financial Officer /
Treasurer

Michael is the General Manager of Cotton Australia and formerly Chief Executive Officer of the Gwydir Valley Irrigators' Association. He was elected to the NIC board in 2009. Based in Toowoomba, his role at Cotton Australia includes managing policy development, with particular expertise in water management. Michael is a graduate of the Australian Rural Leadership Program and the Australia Institute of Company Directors. He holds a Masters of Business Administration and a Bachelor of Arts. Michael was previously a mixed irrigation farmer in southern NSW.



Caren Martin
Director /
SA Representative

Caren and her husband Drew own and manage an Almond Orchard at Murtho. Caren assumed the role of Chair of the South Australian Murray Irrigators group in 2009. She is a current serving councillor and chairperson of the Natural Heritage Committee for the National Trust of South Australia (NTSA). Caren has worked in Natural Resources Management (NRM) for the past 20 years in the not-for-profit, government and private sectors. Caren has been at the forefront of Basin Planning and sustainable water-use management. Caren has contributed to several successful state and federally initiated projects.



Jenny McLeod
Director

Jenny is the Policy and Communication Manager with Coleambally Irrigation Co-operative Limited. Jenny owns and operates with her family an irrigated cropping farm in the NSW Murray. Jenny has extensive experience in water policy and government relations. Jenny has a tertiary qualification in Agricultural Science and Communications and is a Graduate of the Institute of Company Directors. Jenny is a director of Finley Regional Care (a not for profit based supply medical and aged care services in the southern Riverina). Jenny was elected to the Board in 2017.



Bernie George
Director

Bernie was elected to the NIC board in 2012. He is responsible for the water assets of Australian Food and Fibre. The company grows, processes and markets cotton and food crops. Bernie has extensive experience in large scale irrigated agriculture, land and water asset development and natural resource management. He is a past Chairman of Cotton Australia and a graduate of the Australian Rural Leadership Program



Retired Directors



Mike Neville
Director /
VIC Representative

Michael is General Manager Farmland & Ecosystems at Kilter Rural. He is a fourth generation participant. His corporate farming experience includes rejuvenating and changing farming systems and developing sustainable landscape team culture across enterprises such as processing tomatoes, cotton, conventional and organic cereal production, combined with a focus on ecosystem protection. He comes from a strong family background in agriculture including earlier years in mid north SA. He was appointed to the Board in 2021.



Tim Napier
Director /
QLD Representative

Tim was born and raised on his family's mixed farm in eastern Tasmania. He holds a Bachelor's Degree in Management (Farm Business) from University of Sydney and spent twenty years managing a range of irrigated agricultural businesses across the Murray Darling Basin, in New South Wales and Queensland. Tim was awarded an Australian Nuffield Farming Scholarship in 2004 and studied sustainable farming systems in Europe, Canada, New Zealand and the United States. Tim works for Border Rivers Food and Fibre and was elected to the Board in 2016.



Dale Holliss
Director

Dale is CEO of Bundaberg CANEGROWERS Ltd and Company Secretary for the Bundaberg Regional Irrigators Group. He has a background in sustainable agriculture, rural finance and economics. Dale has extensive experience in irrigated sugar cane production and a diverse range of horticultural crops. He was elected to the NIC board in 2012. Dale is the Chair of NIC Energy sub-committee, a member of Enezy Consumers Australia Board Advisory Committee, a Member of the Queensland Canegrowers electricity committee and a Ministerially appointed Member of the Local Management Irrigation Arrangements Board.



Gavin McMahon
Director

Gavin was the CEO of Central Irrigation Trust (CIT) in South Australia. He was 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 held the position of Chair from 2012 to 2020. He retired in 2021.



Toby Smith
Director /
VIC Representative

Toby was elected to the NIC Board as the Victorian representative in 2015. He is the Commercial Manager for Olam International, one of the largest Almond growers in Australia. Toby retired from the NIC Board in 2021 when he took up a new internationally based role with Olam.



Head Office



Isaac Jeffrey
Chief Executive Officer

Isaac was appointed as CEO in December 2020. Isaac has a background in government, small business, and public and government relations. His most recent role was Head of Government Relations – ANZ for a major multinational. He spent over a decade in government holding roles including Chief of Staff and Principal Private Secretary to various Federal Ministers. Isaac has a Master of Politics and Policy, a Bachelor of Business (Honours) and has just enrolled to complete a Juris Doctor. He is a country boy at heart, having grown up in Gunnedah, and he is passionate about regional issues and empowering local communities.



Joy Thomas
Strategy & Policy Manager

Joy comes from a background in federal politics, serving for many years as an adviser and Chief of Staff to Ministers in the Howard Government. She previously held senior management positions with the Australian Medicare Local Alliance (AML Alliance) and Australian General Practice Network (AGPN). Her early life began in rural Australia, followed by several years working in remote areas of Papua New Guinea. Joy has been with NIC for over 7 years as the manager of strategy and policy.



Steve Whan
Former CEO

Steve Whan is a former NSW Cabinet Minister and Shadow Minister holding, at various stages, portfolios including primary industries, emergency services, small business and in Opposition: tourism, hospitality, gaming and racing, and police. He was Member for Monaro and a member of the NSW Legislative Council. Steve was CEO of NIC for four years, retiring from the role in December 2020.



Chair's Message

As 2020 drew to a close, on reflection it was a year that presented challenges for all Australians, adjusting to a global pandemic directly impacting lives and communities and delivering some harsh realities. The year showed however, that Australians are adaptable in changing the way we live and work, finding new ways to interact with friends and family and to conduct our businesses through the technologies available.

The pandemic followed hard on the heels of the 2019-2020 bushfires at the same time Australia was experiencing crippling drought in many regions, putting unwanted pressure on water resources across Australia's agriculture sector.

And it became clear that during this time of health and economic crisis, the risk to Australia's food security was front and centre with disruption to supply chains. Many industries faced critical labour shortages, unable to secure seasonal workers at the right time, in part due to state and national border closures, putting pressure on many industries, while at the same time, other industries experienced minimal disruption to food and fibre production.

We welcomed our new Chief Executive, Isaac Jeffrey at the end of the year to take up the reins of the organisation following the retirement of former chief executive, Steve Whan.

Improved seasonal conditions emerged in some regions during the second half of 2020 providing relief in those regions and a level of confidence for many agriculture businesses. While the Water Minister Keith Pitt's response in late 2020 to a number of Basin Plan related inquiries during the year was encouraging, there is a way to go on achieving the more challenging elements of the Basin Plan.

The Sefton report, the Inspector-General's report and the WESA (Water for the Special Account) report pointed to some stark facts and highlighted that Basin governments are at risk of not fully meeting some Basin Plan targets and timelines by 2024. As a Council, we have not been immune to those challenges and will continue to advocate and position our organisation on behalf of our members for the next iteration of the Basin Plan and highlight the risk implications for our sector of not meeting those 2024 targets under the Plan.

Issues raised by NIC over a long period of time are reflected in these reports, including concern about the at risk projects, as part of the 605GL towards the Sustainable Diversion Limit (SDL) suite of projects, not being achieved. Under their current design, these projects are at risk of not delivering up the estimated savings under the SDL. Basin Governments must demonstrate bipartisanship and goodwill to resolve these issues in the interest of all stakeholders.

The move to break the deadlock around achieving the additional efficiency measures occurred in the latter part of 2020 with the Water Minister committing to 'no more water buybacks', suggesting that the Government would not put further pressure on irrigators to recover another 450GL. The Minister announced that the focus would be on off-farm efficiency measures to improve environmental outcomes, reflecting NIC advocacy that the states have a role in examining ways to acquire the additional water off-farm.



The Government's response to those reports included the Minister announcing the \$230 million Murray Darling Communities Investment Package. As part of the package, under the Healthy Rivers Program, organisations and communities are able to apply for funding to apply natural resource management activities (or non-flow measures) to deliver environmental outcomes. Projects might include the installation of fishways, fish diversion screens, managing cold water pollution, riparian management activities and carp control.

These are practical measures and reflect a broader natural resource management approach, beyond simply achieving flow targets. The Sefton report specifically recommended that work on complementary measures should be a priority, noting that the framework developed by CSIRO and MDBA be extended to evaluate how complementary measures can offset environmental water recovery targets as part of Basin Plan targets. The Productivity Commission also provided strong recommendations on this approach, recommending that environmental water and complementary natural resource management should be integrated.

The Northern Basin toolkit projects put forward by NSW and Queensland Governments to implement environmental works and measures (emerging from the Northern Basin review process) similarly include measures such as: arrangements to protect environmental flows; event-based mechanisms (such as options for pumping and store-and-release); improvements in the coordination and delivery of environmental water; environmental works and measures to promote fish movement and habitat (eg fishways); and removal of physical constraints in the Gwydir catchment to improve flows to the wetlands.

NIC continues to highlight the principle of adaptive management as it was promised under the Basin Plan. This was noted in the Sefton report which suggested that the intent of the Basin Plan should focus on outcomes and move to more adaptive management where communities have a greater say in matters affecting their future. As consultation occurs on national water reform against the backdrop of Australia's climate challenges, it is critical that communities and irrigated agriculture industries involved in food and fibre production, are afforded a seat at the table and that our sector's contribution to policy is taken into account in a transparent way.

Effort must be applied to resolve outstanding issues, and this includes delivery risks and system losses in the southern Basin. The local knowledge of irrigators and communities is key in the effort to find solutions. Following the finalisation of the many reports commissioned, it is critical that the states demonstrate that they too are genuine about finding solutions.

It is expected the new Interim Inspector-General of Water Compliance announced in late 2020 will bring a new level of trust and transparency and greater consistency and harmonisation of water regulation across the Basin.



The continued development of the National Water Grid is critical. The Grid will have a role in ensuring that water storage and distribution projects put forward are designed with an eye on the future to secure predictable water supplies, and to help unlock agricultural opportunities in new regions, particularly in northern Australia.

Agriculture industries must be able to operate in a competitive environment within an affordable energy pricing regime, while supporting the uptake of renewable energy without unintended energy price distortions. Australia has moved from a country which once enjoyed a competitive advantage in energy costs, to being one where energy is now a competitive disadvantage.



The rapid transition of the energy market, assisted by the development and expansion of new technologies, will open up opportunities for the agriculture sector - opportunities like Renewable Energy Zones across our regions, in battery storage and in the development of a bioenergy industry. The design of the market and grid must remain fit for purpose through the transition process. This is in recognition of expanding consumer choices, new technologies and large-scale capital replacement as older thermal power stations depart the market.

The Government's \$19 billion Technology Investment Roadmap forms a key backdrop, with the agriculture sector taking its place amongst the opportunities where it can be an adopter of energy technologies for on-farm use. This is both in generating energy and reducing demand, as potential exporters of energy and feed stocks and in sequestration through land management.

As we farewell Gavin McMahon as our Chair, I want to take this opportunity to acknowledge the significant role Gavin played in leading NIC. Under Gavin's leadership, NIC has grown from a group of committed individuals with a passionate voice for irrigated agriculture, to an organization that continues to navigate the myriad of policy measures as part of Australia's national water reforms.

In my first twelve months as NIC's Chair, I do not underestimate the challenges ahead, particularly recognising Australia's climate challenges into the future. I look forward to working with my Board colleagues and our members as we advocate on behalf of the irrigated agriculture sector to secure the sustainability of water resources for Australia's food and fibre producing industries. With the expansion of the world's population to 10 billion by 2050, Australia is well placed to meet the increasing global demand for food and fibre. I have no doubt our irrigated agriculture industries will engage in the opportunities this presents.

Jeremy Morton
Chair



Chief Executive's Message

I wanted to place on the record the National Irrigators' Council's thanks to my predecessor, Steve Whan. Steve helped build the NIC's brand and networks, and our reputation as a bipartisan and trusted adviser in water and energy policy. We wish Steve well with his future endeavours.



Water and energy are two of the most complex and politically challenging areas of public policy. They affect everyone and everyone has an opinion on how they should work. What is clear is that the National Irrigators' Council has done a good job to date standing up for the nation's food and fibre producers, and making sure that irrigated agriculture industries have a strong voice in public policy debates. But it is time for the NIC to find its next gear and to evolve.

A Refreshed Direction

I was fortunate, between lockdowns, to be able to get out and about, and talk to members about what they are looking for from NIC. I've also consulted widely with members and the board, as well as with other stakeholders on how the NIC is performing. My goal has been to understand how we can increase our efficiency and effectiveness, and to increase our value proposition for our members. Significant consideration has also been given to the SWOT analysis and strategic direction workshops held with NIC members in 2020.

The result of this work and consultation process is the Strategic Plan 2021 presented to the Annual General Meeting which sets a new strategic direction for NIC. This new document sets out our vision, mission, principles, objectives and key performance indicators. It also lists a new set of values for the organisation. It was developed in conjunction with the board, with a meticulous analysis and workflow planning process to align the organisation's goals with the contributions from our members during those workshops and visits. The document will give NIC the focus it needs to deliver for the industry over the next five years. It will be supported and implemented through three subordinate plans – communications, government relations and operations.

This planning process will transform NIC into a more proactive and adaptive organisation. It will enhance our public facing outputs, while ensuring the organisation is structured and resourced appropriately to achieve results. All of the plans will evolve as living documents, not set and forget plans that sit on a shelf.

On the public front, our Communications Plan will help steer NIC's public messaging and the industry's social license. Our Government Relations Strategy is our advocacy plan spelling out how we will engage stakeholders into the future. There will be more to come on this front in coming months.

Internally, our Operations Plan will work through changes within the NIC as we seek to grow and improve our deliverables. It will consider a range of issues from our constitution to our membership structures.



A Challenging Horizon

It's been a fascinating twelve months in water and energy policy and politics. We are in for another twelve months of challenges, with an unblinking eye on the looming Murray-Darling Basin Plan review. This is why it is important that NIC increases its match-fitness to be ready for these challenges.

Elections are due in Victoria and South Australia in 2022, as well as for the federal parliament. Changes in government or within governments thanks to reshuffles, are very likely. As a bipartisan organisation, NIC stands ready to work with the elected governments and oppositions to ensure they hear the concerns and issues of the irrigated agriculture sector. However, any changes in water ministers mean a significant effort in establishing new relationships and getting the teams up to speed on your issues and views.

The New South Wales election is still over eighteen months away, but there will be a series of by-elections and ministry changes in the interim, which may impact the Government's numbers on the floor of the parliament. Changes like these always create delays as new ministers need time to get across their briefs.

A significant risk remains that the NSW Sustainable Diversion Limits (SDL) projects will not meet their estimated targets. We encourage the NSW Government to make these projects an urgent priority. We continue to put pressure on all Basin States to bring forward projects under the 450 GL efficiency measures program. Farmers have done their share, it is time for governments to step up. We do however persistently remind all stakeholders that the 450 GL can only be achieved if there are no poor social or economic outcomes and we will continue to passionately advocate against buybacks.

NIC is also actively engaging with governments and stakeholders on national water reform and strategic investment in water infrastructure. We will continue to work with governments on the outcomes of the ACCC's inquiry into Murray Darling Basin water markets, particularly to ensure the irrigated agriculture sector is not burdened by additional regulatory costs.

By far the most challenging area going forward will be climate change. NIC members committed to net zero emissions by 2050 and NIC has encouraged government, opposition and industry to all come together to work through how we achieve this goal. What is fundamentally important is that governments invest in research and support to help industries transition. Reduced inflows and more variable climate and weather will significantly impact the irrigated agriculture sector and all water users. NIC will be pushing for a balanced response to climate and water issues which recognises the importance of the sector in growing our food and fibre, but also feeding and clothing the world, and bolstering our economy.

We are already seeing the effects of higher energy costs for consumers with the transition to renewables, but governments and regulators must be vigilant to ensure we do not see over inflated regulatory costs during the transition to a variety of renewable energy technology. Investment is critical in the sector to increase competition and eliminate variability. NIC will be increasing our advocacy on affordable and reliable energy for primary producers, particular as governments consider the post-2025 market design. NIC will continue to convene the Ag Energy Taskforce and is in discussions about how to best resource the group going forward to ensure we keep a laser-like focus on all things energy.



Another important area which is receiving a great deal of attention is cultural flows. NIC supports First Nations peoples' cultural rights and connection to land and water. We stand ready to work with First Nations to discuss proposals for cultural flows and look forward to continued engagement into the future. There was \$40 million announced by the previous minister for investment in cultural water, but at this stage the money has not been forthcoming. We would like to see that investment flow in the very near future.

While progress is being made, NIC will maintain pressure on governments and the public service to operate in a more open and transparent way, and to be accountable for their decision making. From the Basin Officials Committee to the Water Ministerial Council to water allocations decisions, NIC will keep calling for the sunlight to shine on these processes and discussions.

A Final Thought

NIC's strength comes from its membership. The more involved you get with NIC, the more you will get out of it. We provide great opportunities to engage with government and other stakeholders through our general meetings and we are ramping up our thought-leader sessions. Recently we've had the Commonwealth Environmental Water Holder, NSW Department of Planning, Industry and Environment, and the Clean Energy Regulator. Over the next twelve months, keep an eye out for more of these sessions and if there are people you would like to hear from, please let us know.

More broadly on communications, we will be working hard to coordinate messaging and boosting members' media, social media and campaigns. If you have media releases, social posts or other communications campaigns running, please reach out and see how NIC can be involved to bolster your messaging. We'd ask you to please do the same and circulate NIC releases, newsletters, posts and other materials to your audiences. Together we can enhance our social license.

Finally, NIC is a small organisation which punches well above its weight. We have a record of achievement for the irrigated agriculture sector. If you know of businesses directly or indirectly connected to our sector, we'd love them to join as either members of NIC or contributors to our organisation. Please reach out to them and encourage them to think about joining or contributing. They could be organisations up or down your supply chain, or groups from across the industry. If they have a stake in the growth and success of the irrigated agriculture sector, they have something to gain from supporting NIC. We have resources available to discuss membership or donation options with them, so please get in touch if you know someone who might be interested.

Together we can continue to be the strong voice for irrigated agriculture into the future.

Isaac Jeffrey
Chief Executive Officer



Our Advocacy

Meetings between NIC leadership and the Minister for Agriculture and Water Resources and the Minister for the Environment and Energy form a critical part of our advocacy and building relationships. Engagement with federal Ministers, Senators and Members across all parties enables the Council to advocate on behalf of our membership.

Three face to face meetings of the Council a year provide a forum for NIC members to work through solutions to water and energy related issues, relevant to NIC members inside and outside the Basin. NIC's sub-committee structure and ad hoc reference groups provide the appropriate mechanism for the development of NIC policy and input into Government related policy.

Council meetings provide an opportunity for members to engage senior officials from the Department of Agriculture and Water Resources, the Department of the Environment and Energy, the Commonwealth Environmental Water Holder (CEWH), the Murray-Darling Basin Authority, the Bureau of Meteorology, the National Water Grid Authority and key energy related stakeholders.

NIC has driven a campaign in collaboration with other peak industry bodies to achieve an affordable electricity pricing system in Australia to ensure that network supplied electricity remains a cost effective energy source for food and fibre producers. The Agriculture Energy Taskforce, established in 2014, continues to participate in the raft of Government related inquiries and reviews on energy policy, including major policy related to the transition of Australia's energy market. NIC and the Taskforce support the capability of agriculture industries to transition to renewable technologies as appropriate.

Government and related inquiries provide a platform for NIC to advocate on behalf of members on issues of importance to the sector. In 2020, NIC provided submissions to the:

- ACCC inquiry into water markets in the Murray Darling Basin
- Productivity Commission review on National Water Reform
- Submission to the draft report of the Independent Assessment of Social and Economic Conditions in the Basin (Sefton panel)
- Senate Select Committee on the Multi-Jurisdictional Management and Execution of the Murray Darling Basin Plan
- National Electricity Amendment (Compensation for Market Participants Affected by Intervention Events) Rule 2020
- ARENA (Australian Renewable Energy Agency) Bioenergy Roadmap
- Energy Security Board (ESB) Market Design post 2025
- NSW Energy Security Target
- Technology Investment Roadmap.





Our Sub-Committees

NIC sub-committees play a central role in the development of NIC's policy positions, including advocacy via consultation processes to Government and Government related inquiries.

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 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 also directed its attention to 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.

Energy Sub-Committee

The committee has led a strong advocacy campaign, in collaboration with other agriculture industry stakeholders, to bring to the attention of governments, the impact of high electricity costs on the agriculture sector and to secure an affordable electricity pricing system in Australia to ensure that network supplied electricity remains a cost effective energy source for food and fibre producers.

High costs have undermined the competitive advantage of our highly productive and efficient agricultural sector, which produces food and fibre for domestic and export markets, and compromised Australia's capacity to be a competitive global food producer to put fresh food on the tables of Australian households. Through the committee, NIC has highlighted the significant gap in the understanding of the impact on the productive agriculture sector and rural industries to maintain viability and to remain competitive. The committee has advocated for a price objective of a medium to long term price capped at 8 cents per kilowatt-hour for the electrons (R) and a similar ceiling of 8 cents per kilowatt-hour for the network (N).

NIC and the Ag Energy Taskforce (established in 2014) continue to participate in the raft of Government related inquiries and reviews in the energy space as well as supporting, and advocating for, industry transition to renewable technology. The committee and the Taskforce engage key stakeholders in the energy sector including Energy Consumers Australia (ECA), the Australian Energy Regulator (AER), the Australian Energy Market Commission (AEMC), the Australian Energy Market Operator (AEMO), ARENA (Australian Renewable Energy Agency) and the CEFC (Clean Energy Finance Corporation).

Irrigation Infrastructure Operators (IIO) Sub-Committee

The committee provided significant input into the ACCC's review of Water Charge Rules. The intent of the review was to reduce the administrative burden on business without removing or altering the principles for the rules.

The process has taken some years to complete with the new water charge rules commencing on 1 July 2020. The committee has been vigilant and constructive to ensure no additional administrative costs on irrigation infrastructure businesses as a result of the changes.

The committee provided feedback to the ACCC inquiry into water markets in the Murray Darling Basin.



Ag Energy Taskforce

In 2014 the Agriculture Energy Taskforce was established, consisting of a group of peak agriculture bodies who represent members who are significant users of electricity. Convened by NIC, the Taskforce was established to draw attention to the impacts of high energy costs on Australia's highly efficient and productive agriculture sector.

NIC and Ag Energy Taskforce have participated in a significant number of policy and energy market design processes, providing input through various consultations and government related reviews and inquiries. The rapid adoption of renewable technologies has created an increasingly dynamic system, and against this backdrop it has been important to highlight that the agriculture sector must be able to operate in a competitive market in providing food and fibre for Australia and for export and not be disadvantaged by high energy costs.

The focus of the Taskforce is to advocate for more affordable energy with increased reliability. Farmers cannot bear the burden of either higher costs or intermittent electricity. Both issues have major flow on effects to farming operations, but also to consumers. In a competitive global market for food and fibre, Australia must not only keep up, but move ahead of other countries if it wants to maintain its current footing or have any chance in reaching the goal of \$100 billion in agriculture production in coming years. The sector and our national economy cannot afford to be left behind and should not have to suffer the disastrous effects of the energy handbrake holding back production.

Current Taskforce Members:

- Convener: National Irrigators' Council
- Australian Grape & Wine
- Bundaberg Regional Irrigators Group
- CANEGROWERS
- Central Irrigation Trust
- Cotton Australia
- Dairy Australia
- Murrumbidgee Groundwater
- National Farmers' Federation
- NSW Farmers
- NSW Irrigators' Council
- Pioneer Valley Water
- Queensland Farmers Federation.

Some NIC energy wins to date:

- Better outcomes in Queensland on control load tariffs.
- Advocacy on a ceiling of 8 cents for electrons and 8 cents for network costs, which has been achieved in some areas.
- The abolition of the Limited Merits Review in 2018, whereby companies cannot go back to the Australian Competition Tribunal to challenge the Australian Energy Regulator on their pricing path proposals.
- Positive outcomes on recommendations from the 2018 Australian Competition and Consumer Commission inquiry report into retail electricity.
- A class exemption to apply to businesses and independent contractors who form, or are members of, a bargaining group, and who each had an aggregated turnover of less than \$10 million in the financial year before the bargaining group was formed.



Australian Irrigated Agriculture

The irrigated agriculture sector is a vital industry providing the food and fibre enjoyed by Australians. It contributes to the social and economic wellbeing of many rural communities, to the national economy and to export income. 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. Australia's irrigators are among the most efficient in the world, with efficiency driven by industry innovation and investment assisted in part by government programs.

The 2004 National Water Initiative (NWI) set the foundation for national water reform and provided the governance foundation for water resource management in Australia. The NWI has enabled comprehensive improvement in water management throughout the Murray Darling Basin and Australia wide. The NWI provides a system that was designed to manage Australia's water resources and against the backdrop of the pressures due to climate change.

Sustainable irrigation is the key that has made the Australian cotton industry, for example, a global leader and a highly sought after product. In 2017-18, Total Gross Value of Irrigated Agricultural Production (GVIAP)* increased to \$17.7 billion (up 14%). The four commodities with the highest GVIAP were:

- Fruit and nuts (excluding grapes) at \$4.2 billion (up 20%)
- Vegetables at \$3.4 billion (up 3%)
- Cotton at \$2.3 billion (up 52%); and
- Dairy products at \$2.2 billion (up 37%).

Combined, these four commodities accounted for 69% of total GVIAP for the 2017-18 year. Other irrigated commodities contribution to GVIAP:

- Nurseries, turf and flowers \$1.4 billion
- Sugar cane \$684 million
- Cereals \$380 million
- Hay and other broadacre crops \$291 million
- Rice \$246 million.

In 2017-18,* irrigated agriculture, which accounts for about 5% of Australia's tilled farmland, contributed \$17.7 billion to the national economy. This included 92.5 % of fruit and nuts worth \$4.2 billion, 82.5% of our vegetables worth \$3.4 billion, 82% of Australia's cotton worth \$2.3 billion, 52.5% of dairy worth \$2.2 billion and 100% of Australia's rice.

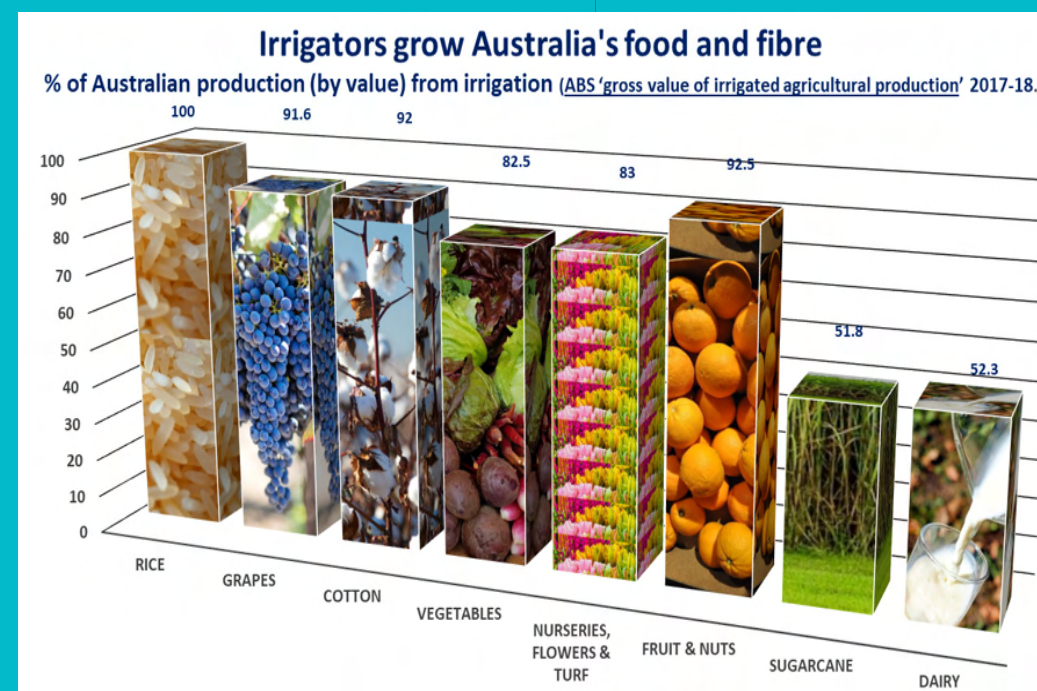
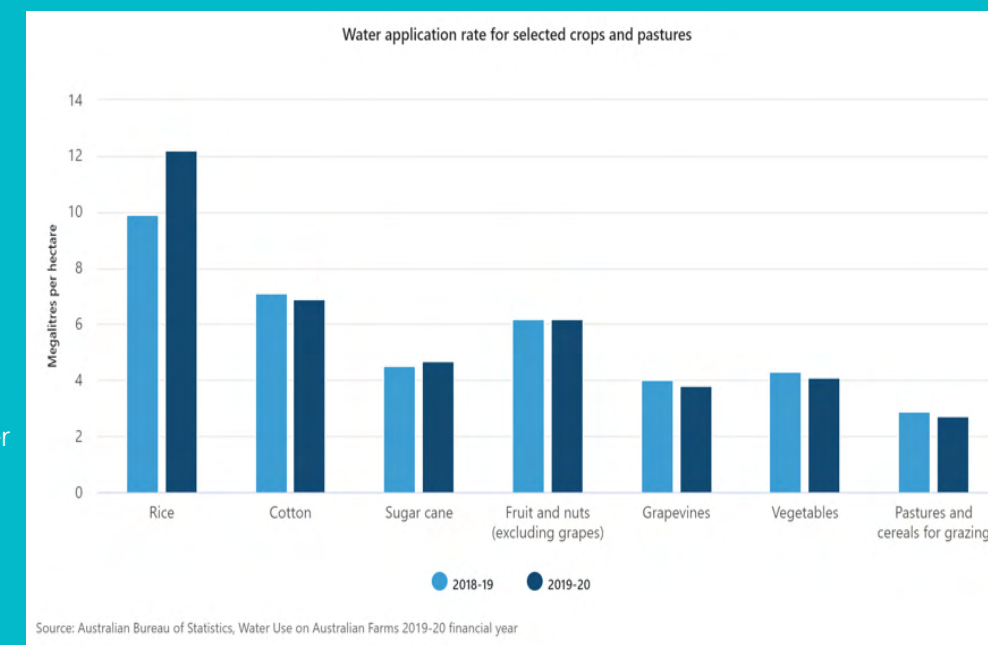
Many NWI key principles have been established, enabling water planning arrangements for all areas of intensive water use, and environmental sustainability has been supported by formal provisions of water for the environment.

The creation of water markets with the capacity to trade is allowing water to be traded to higher-value uses and providing a valuable business management tool for the irrigated agriculture sector. This is providing greater certainty and flexibility for businesses in changing market conditions and during periods of drought.

Water entitlements are valuable assets with benefits being realised from the provision of water for the environment focused on improved native vegetation and wetland conditions, supporting and protecting rare and threatened biodiversity, supporting the migration and breeding of native fish, waterbirds and frogs.

While most states and territories continue with the implementation of non-urban metering policies, water accounting is broadly providing reliable and credible information.

Water reform changes have been significant and it was not possible to foresee all the likely consequences of this major reform, nor understand how the context of water availability and management would change. Over this period, the irrigated agriculture sector has continued to produce food and fibre while driving water efficiencies with the ongoing commitment to healthy river systems and a healthy environment.



*Australian Bureau of Statistics: Total Gross Value of Irrigated Agriculture Production in Australia, 2017-18

**Australian Bureau of Statistics: Water Use on Australian Farms, 2019-2020

Irrigation of crops and pastures: In 2019-20,** 3.8 million megalitres were applied to crops (67% of all water applied):

- 1 million megalitres for fruit and nuts (up 7%)
- 886,900 megalitres for sugar cane (up 1%)
- 469,300 megalitres for grapevines (down 1%)
- 379,600 megalitres for cotton (down 71%).

Of the 1.8 million megalitres applied to pastures (33% of all water applied):

- 1.3 million megalitres for pastures and cereals (down 15%)
- 589,200 megalitres for pastures and cereals cut for hay and silage (down 12%).



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, irrigators 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.

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. The task of delivering continued environmental improvement across Australia's river systems and waterways must be viewed as a long term process. Similarly, the process of adjustment to water reform by Australia's food and fibre producing irrigated agriculture sector, for industry and communities, is occurring over the long term.

As part of water reforms over a twenty year period, including the National Water Initiative followed by the introduction of the Murray Darling Basin Plan, the irrigated agriculture sector has played a significant role in supporting the restoration of the environment of Australia's river systems. Social and economic analysis tells us that the removal of water through acquisition has been devastating for many communities.

As a result of these reforms, the Commonwealth now holds significant quantities of water for environmental use and it expected that, over time, that water is delivered and monitored along with reporting on the environmental outcomes achieved. As the largest owner of water in the Murray Darling Basin, with a significant position in the water trading environment, it would be expected that the Commonwealth Environmental Water Holder (CEWH)'s water trading guidelines include consideration of its impact on the market as a result of any trading activity.



Murray-Darling Basin

The Murray Darling Basin is Australia's most important agricultural region, with irrigated agriculture a major industry. The Murray Darling Basin Plan is the latest in a series of reforms since the 1990s that has over time reduced access to water for agriculture.

This has resulted in challenges for irrigation communities particularly where water has been recovered through buyback. Negative impacts are particularly exacerbated in times of severe drought. With several years of Basin Plan implementation remaining, independent reviews suggest positive early benefits have been achieved for the environment, though significant challenges remain, particularly with the potential for further harm to communities.

Irrigation infrastructure has been developed to enable Australia to produce food and fibre in dry years. This is critical for domestic consumption and the economic flow on benefits for rural communities, and for Australia's export income, contributing directly to the standard of living enjoyed by all Australian.

In 2017-18,* irrigators grew 36% of the value of production in the Basin, worth more than \$8.6 billion. As a wholesale value the number is likely to underestimate the full flow on impact in the communities of the Basin.

Achieving a balanced Basin Plan: Since the commencement of the Basin Plan, NIC has supported the Plan's triple bottom line outcomes, achieving a balance between social, environmental and economic outcomes to support healthy viable communities and a sustainable environment. NIC has consistently argued that 'just adding water' in the name of environmental improvement was a flawed policy approach; we flagged that this approach would have major impacts on producers, on industries and communities and fail to produce the desired environmental outcomes.

NIC's commitment remains to genuine reform but not at the expense of a viable, productive irrigated agriculture sector. Implementing the Plan must occur in the manner promised, and that is an unwavering adherence to the commitments given to the irrigated agriculture sector and Basin communities by the Government and the Murray Darling Basin Authority (MDBA).

*Australian Bureau of Statistics: Total Gross Value of Irrigated Agriculture Production in Australia, 2017-18



These include:

- willingness to reduce the amount of water to be recovered through improved river management and more efficient environmental watering
- adaptive management and 'localism', and integration of environmental, social and economic modelling
- no changes that would impact on the reliability of irrigators' water allocations
- no changes to rules that would result in negative impacts on third parties
- no changes that would lead to a change in the characteristics of a class of water due to that water being transferred to the Commonwealth (eg, the use of a mega litre of general security water held by the Commonwealth must be governed by the same rules and terms as apply to an irrigator holding a like entitlement).

Government investment in infrastructure is enabling water to be saved on farm, supporting greater productivity across many industries and the direct employment in irrigated agriculture. This also provides opportunities for the development of local industries, supporting the social and economic future of communities.

Under the Sustainable Diversion Limit (SDL) adjustment mechanism it has been estimated by the Murray Darling Basin Authority there are opportunities for supply and efficiency gains in the suite of projects now under consideration to deliver 605GL. In keeping with the promise of 'localism' and 'adaptive management', local knowledge and input must be reflected and incorporated into Government decisions. It is in the interest of irrigators and irrigation dependent communities to support health working rivers and river systems.

A healthy environment: The trajectory of reform under the Basin Plan has focused heavily on water as a singular management solution to address environmental challenges in our river systems. The focus on delivering large volumes of water is taking precedence over the welfare of people, communities and agriculture food and fibre production. NIC's continued objective is to challenge the theory of adding more water as the solution to a complex structure of environmental challenges in the Basin. NIC has argued for a balanced Plan that comprehensively considers the needs of people, communities and food and fibre production in parallel with the environment.





This necessitates a shift away from flow targets and volume of water, to a greater focus on outcomes. Flow targets are not an adequate measure of the health of a river; the success of the objectives and activities of the Commonwealth Environmental Water Holder (CEWH) must be measured in environmental outcomes. These would be supported through the adoption of a range of non-flow or complementary measures designed, for example, to improve the river habitat for native fish species, restore fish passage, eradicate and/or reduce feral species and other key environmental measures.

This approach received endorsement from the Productivity Commission in its first Five Yearly Assessment of the effectiveness of the Basin Plan in 2018 as required by the Water Act 2007. The Commission recommended that Basin states should manage the risks to achieving the environmental watering objectives set out in long term watering plans by delivering complementary waterway and natural resource management measures (such as habitat restoration or weed and pest control). Basin state governments agreed with the recommendation noting that providing water is in itself not necessarily enough to secure environmental outcomes.

The Northern Basin Review in 2017 also made recommendations about the need to implement complementary or non-flow measures. The Review demonstrated that the acquisition of more water for the environment delivers a questionable level of environmental benefit while resulting in higher levels of social and economic pain. The irrigated agriculture sector views complementary measures as potentially so effective that they could achieve better environmental outcomes than recovering further water and should be adopted as part of achieving the remainder elements of the Basin Plan.

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Measures improving riverine and riparian outcomes have been routinely delivered through successive federal government programs such as Caring for our Country and the National Landcare Program. Investment supporting a range of measures will enable the Basin Plan's environmental objectives over the short, medium and long-term to ensure native species have the greatest opportunity to thrive. Complementary Measures (also known as toolkit measures in the Northern Basin) will facilitate delivering equivalent ecological outcomes required to meet Basin Plan objectives that will not be met through existing water recovery measures. These include:

- supporting the rehabilitation of native fish species
- improving productivity within aquatic ecosystems
- increasing the resilience of threatened species
- improving social and economic prosperity from aquatic resources
- contributing to the achievement of cultural water objectives.

This approach will deliver the Basin Plan's environmental objectives over time without additional collateral damage to regional communities. Such measures fall into two categories, fundamental interventions or actions required to achieve improved ecological outcomes in our river systems, or new opportunities for operation and management of environmental resources. Complementary or, non-flow, measures might include:

- Carp control through the release of the Carp Herpes virus
- Appropriate management of cold water pollution
- Improvement of fish migration through fish ways along the Barwon-Darling and tributary catchments
- Restoration of native fish habitat
- Feral animal control in wetlands such as the Narran Lakes, Gwydir Wetlands and Macquarie Marshes.
- Riparian land management
- Weeds eradication.





National Irrigators' Council

Designed and produced by:

National Irrigators' Council
Level 2
NFF House
14-16 Brisbane Avenue
Barton ACT 2600

W: www.irrigators.org.au
T: @nat_irrigators
E: ceo@irrigators.org.au
P: 02 6273 3637

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