

COFFIE Program  
Water Division  
Department of Agriculture and Water Resources  
c/o: Amy Hankinson

via electronic mail: [Amy.Hankinson@agriculture.gov.au](mailto:Amy.Hankinson@agriculture.gov.au)

Dear Amy,

**Re: Design of Commonwealth On-Farm Further Irrigation Efficiency (COFFIE) Program - NSWIC SUBMISSION**

The NSW Irrigators' Council (NSWIC) appreciates the opportunity to provide comments to the Department of Agriculture and Water Resources' discussion paper on the design of the Commonwealth On-Farm Further Irrigation Efficiency (COFFIE) program. NSWIC understands that the COFFIE program is the next iteration of the on-farm efficiency programs that will support improvements in on-farm irrigation water deployment for irrigation. We also acknowledge that this program has been initiated through Part 2AA of the Water Act 2007 ('SDL adjustment mechanism') and is designed to return 'more' water to the environment at no negative social and economic impact.

However, at the outset let me preface our response by stating that fundamentally, NSWIC does not support any additional environmental water recovery beyond the Basin Plan's 2750GL until there is a thorough review of the environmental benefits that are achievable through that already recovered water, and a full review of the social and economic impacts of the implementation of the Basin Plan. NSWIC would only support further water recovery above the 2750GL if that water recovery had a neutral social and economic impact as stated in Part 2AA of the Water Act and did not cause negative 3rd party impacts within Basin communities.

While NSWIC is prepared to provide comments to the Department to assist in the design of the program, we believe it is unreasonable that the Commonwealth Government is working on the design of a program that intends to remove further productive water from Basin communities without having a clear understanding of the impacts that the current water recovery has had on the social and economic fabric of Basin communities and without solid evidence that further environmental water recovery beyond the 2750GL detailed in the Basin Plan will achieve additional benefits for the Basin's environmental assets. Therefore NSWIC is calling on the Federal Government to halt any further environmental water recovery associated with the 'SDL adjustment mechanism' until such time as we have 'bridged the gap' to achieve the recovery of environmental water under the Plan and the Commonwealth has taken stock of their current water holdings and the environmental benefits that can (and have been achieved) with this environmental water. To pursue any further environmental water recovery under the SDL adjustment mechanism beyond the level specified in the Basin Plan runs the very real risk of amplifying the already evident social and economic impacts associated with the Basin Plan within a number of irrigation reliant communities across the Basin.

NSWIC is aware that the Department is eager to allocate \$35 million of funding this financial year to test the design of the COFFIE program, however we believe that this haste is misplaced, especially as there is an absence of suitable delivery partners and projects. While NSWIC

understands that s86AG of the Water Act 2007 (Cth) specifies the annual appropriation for the Water for the Environment Special Account, the Council does not believe that there are sufficient reason to continue the implementation of a program that does not have wide scale stakeholder support, and is not fully designed or tested. In addition NSWIC's concerns with the Department's ability to spend \$35 million in suitable pilot funding this financial year, we are also concerned that the Department might prioritise the allocation of funding this financial year over the quality of pilot programs that could inform the future structure and management of COFFIE. NSWIC strongly urges the Department to only consider pilot projects that are feasible, cost effective and could lead to useful findings that could inform the program.

Despite NSWIC's overall concerns with further environmental water recovery under the SDL adjustment mechanism, NSWIC would like to raise the following specific comments about the COFFIE program discussion paper:

- NSWIC believes that the Department is placing additional risks and administrative burden on delivery partners while at the same time capping delivery partners' management fees. It is NSWIC's view that additional risk and further workload should be compensated by additional allowance provided for delivery partners' costs and margins beyond the current allowance of 8%.
- NSWIC is unclear about the process around engaging delivery partners under the COFFIE program and would like to emphasise that the Department must carefully review previous on-farm irrigation programs to avoid known mistakes that have occurred in the course of the roll-out of OFIEP.
- NSWIC is unsure about the procedure around engaging with the Basin States to determine 'no go zones' for further on-farm efficiency programs to avoid irreversible social and economic impacts on already affected Basin communities.
- NSWIC has previously raised concerns about the Federal Government's assessment regarding an adequate price for recovered water associated with on-farm efficiency programs and we welcome the Department's review of the issue. NSWIC stresses that an appropriate and market reflective price of water is essential for any further on-farm efficiency programs.

Irrespective of NSWIC comments above, we would like to stress that NSWIC has not been a delivery partner for previous on-farm efficiency projects and does not intend to be a delivery partner under the COFFIE Program. As such, we will reserve any further specific comments about the design of the program and encourage the Department to engage with NSWIC's Members and previous delivery partners for the On-Farm Irrigation Efficiency Program to review the specifics of the proposed program and suggest appropriate refinements.

If you have any question to our submission or would like to discuss any other aspects please do not hesitate to make contact with us.

Sincerely,



Stefanie Schulte  
Policy Manager  
NSW Irrigators' Council