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SUBMISSION

Developing a Commonwealth Strategy on Drought Preparedness and Resilience

February 2019



Introduction

The NSW Irrigators' Council (NSWIC) is the peak body representing irrigation farmers and the irrigation farming industry in NSW. Our Members include valley water user associations, food and fibre groups, irrigation corporations and commodity groups from the rice, cotton, dairy and horticultural industries. Through our members, NSWIC represents over 12,000 water access licence holders in NSW who access regulated, unregulated and groundwater systems.

NSWIC engages in advocacy and policy development on behalf of the irrigation farming sector. As an apolitical entity, the Council provides advice to all stakeholders and decision makers.

Irrigation farmers are stewards of tremendous local, operational and practical knowledge in water management. With over 12,000 irrigation farmers in NSW, there is a wealth of knowledge available. To best utilise this knowledge requires participatory decision making and extensive consultation to ensure this knowledge can be incorporated into best-practice, evidence-based policy. NSWIC and our Members are a valuable way for Governments and agencies to access this knowledge.

NSWIC welcomes this public exhibition as an opportunity to share local, practical and operational knowledge and expertise in water management. NSWIC offers the expertise from our network of irrigation farmers and organisations on an ongoing basis to ensure water management is practical, community-minded and follows participatory process.

This submission represents the views of the Members of NSWIC with respect to The Joint Agency Drought Taskforce public consultation on Developing a Commonwealth Strategy on Drought Preparedness and Resilience. Each member reserves the right to independent policy on issues that directly relate to their areas of operation, expertise or any other issues that they deem relevant.

Background

The Prime Minister has asked the Coordinator-General for Drought to advise him on the development of a long-term Commonwealth strategy for drought preparedness and resilience.

This consultation paper outlines the findings made by the Joint Agency Drought Taskforce in relation to priority areas for Commonwealth action, and potential ways these findings could be addressed.

Feedback to the Taskforce is sought on:

- The priority areas – are they right for the Commonwealth? Is anything missing?
- The key findings, which we will seek to address through the Strategy.
- Issues to take into account when developing actions to address the priority areas.



Overview

NSWIC supports the development of a Commonwealth Strategy on Drought Preparedness and Resilience. Irrigation farmers are at the frontline of reductions in water availability, and a drought places extended pressures on water access over the entire system. It is thus vital to ensure a coordinated and robust long-term strategy for drought preparedness and resilience.

It is noted that the House of Representatives recently passed legislation to establish the Drought Future Fund to commit funding to drought-proof communities. This is a positive step and establishes a funding source for solutions identified through this consultation process.

A key issue for irrigation farmers in NSW is the reliability, security and cost of water ownership and the impact of drought on allocations and the water market. NSWIC believes there is currently insufficient mention of the impacts on water licences, particularly with regards to the water market. There is scope for this issue to be included within the strategy.

Submission

General Comments

The key issue for irrigation farmers is the seemingly endless process of water reform, with the largest policy changes historically occurring immediately following a drought. This practice of drought followed by water reform can be traced right back to the first River Murray Agreement in 1915. Irrigation farmers are desperate for policy stability so they can focus on ensuring their business is resilient and structured to withstand the next drought within the rules. Constantly changing water resource management rules leads to reform fatigue and confusion which contributes to compliance issues.

Irrigation farmers bear the full risk of changes to water availability during drought. This is both a practical and legislated risk assignment as per Schedule 3A of the Water Act (Cth) 2007.

Box 1: Extract from the Water Act (Cth) 2007

Schedule 3A—Risk assignment framework

Part 1—Clauses 48 to 50 of the National Water Initiative

48. *Water access entitlement* holders are to bear the risks of any reduction or less reliable water allocation, under their *water access entitlements*, arising from reductions to the consumptive pool as a result of:
- (i) seasonal or long-term changes in climate; and
 - (ii) periodic natural events such as bushfires and drought.

The drought strategy must also recognise the impact of drought on the water market as well as commodity markets. While the water market can be used by farmers as part of their drought resilience strategy, water resource management plays a large role in how efficient or effective that market is. Therefore, market impacts must also be considered when looking at water resource management.



Specific Comments

Vision

NSWIC supports the revised vision:

“To have farm businesses and rural communities that are prepared for, and capable of responding to drought, in pursuit of a prosperous and sustainable future.”¹

Underpinning Foundations

NSWIC supports the underpinning foundations in principle.

NSWIC recommends that there is scope to note that the agricultural sector is at the frontline of drought and the most vulnerable.

Foundation number 5² should be broadened to include understanding how the local impacts then flow-on to broader regional, macro (state and federal), market and industry wide level. In this way initiatives can address the whole value chain of agricultural production.

Priority Areas

NSWIC welcomes the recognition that:

“Primary responsibility for preparation and managing drought risk rests with farmers and rural communities”³.

NSWIC supports the three priority areas:

1. *Informing governments, businesses and communities*
2. *Incentivising good practice.*
3. *Stewardship of important natural resources.*⁴

The key issue for farmers and communities is the capacity to be prepared for the longer-term. For example, in the current drought, many farmers had implemented drought management strategies, however, after multiple years of ongoing drought their reserves (stock feed, fodder and financial) are depleted. No amount of individual preparedness can be limitless.

¹ Australian Government Department of the Prime Minister and Cabinet, Joint Agency Drought Taskforce (2019), *“Developing a Commonwealth Strategy on Drought Preparedness and Resilience”* [p1].

² Underpinning Foundation 5 – “Information (social, economic and environmental) about drought conditions and impacts should be understood at the local level so that governments, farmers, families and communities can tailor their plans and responses”

³ Australian Government Department of the Prime Minister and Cabinet, Joint Agency Drought Taskforce (2019), *“Developing a Commonwealth Strategy on Drought Preparedness and Resilience”* [p2].

⁴ Ibid.



1. Informing governments, businesses and communities

Communicating

NSWIC supports the key finding that information about government support and assistance should be accessible and tailored to the way farmers gather and receive information.

NSWIC agrees that it would be valuable for the Taskforce to identify ways to improve the coordination of drought related information between agencies to ensure that it is easily accessible.

NSWIC agrees with the preliminary findings of behavioural research conducted by the Taskforce but adds that communications should also adopt a language familiar to those in the industry and avoid jargon. It is also important to recognise that whilst many farmers have advanced computer skills, there is still a significant cohort who are not comfortable with online resources. Thus, a mixed approach is necessary. Where a strategy requires forms to be filled in, these must be kept as simple as possible to ensure maximum uptake and not add to the stress experienced by those in need.

NSWIC also encourages consideration of communications to the broader public, including urban areas, so everyone can understand the drought, drought impacts and water management and agriculture more broadly. NSWIC and Members have observed the emotional strain on rural communities from the debate around drought, water use and water management. This places unnecessary added strain on drought-affected rural communities if they feel targeted or victimised by public debate and the media. This could be partly alleviated through communications providing accurate and fact-based information to the broader public to counter misinformation. Improving communications would help to increase public support.

Information on Seasonal Conditions and Drought Indicators

NSWIC supports the key finding relating to the importance of drought indicators to inform decision-making.

Many farmers have reported that the precipitation data provided by the Bureau of Meteorology would benefit from a higher level of detail with a more precise scale to identify the exact site of rainfall. NSWIC recommends investments in technology to make this readily available to assist drought preparation.

WaterNSW also manages river resources in accordance with a Drought Stage Protocol which they publish in the water allocation statements. This information, along with an explanation of the effective management of the resource under the respective stages could be useful for the wider community to understand the priorities of water management and address some of the misinformation that currently exists.

Unlocking Data

NSWIC supports efforts to improve the availability of non-sensitive data. Often data on water availability and usage is difficult to access, located across various platforms and complex to interpret.



2. Incentivising good practice

NSWIC requires clarification on the phrase “without perpetuating unsustainable farm operations”⁵. This section should be explicit about which farm operations are deemed “unsustainable”, as this will have direct impacts on farmers who currently adopt those practices.

Tax incentives

Where Farm Management Deposit schemes are adopted, they are generally considered a good risk management tool, however, they are not a single solution particularly in multi-year drought scenarios.

Other tax incentives including the instant asset write-off provide capacity for farmers to invest in drought-proofing infrastructure reducing their tax-burden in times when they need it most. This incentive should be adopted as a permanent measure for drought-proofing infrastructure such as farm feed storages or water savings measures.

Research, Development and Extension (RD&E)

NSWIC strongly supports the inclusion of RD&E. The continuation and advancement of RD&E will ensure agricultural practices in Australia are best-practice and world leading.

NSWIC agrees that current RD&E efforts are heavily commodity-specific, therefore creating a void for research into irrigation and water use efficiency more broadly. Efficient irrigation farming ensures available water resources are best utilised, critical for drought preparedness, resilience and adaptation into the future. Greater funding for research focused more broadly on irrigation and water use efficiency is needed. Currently, technology for irrigation farming efficiency is either underdeveloped, or requires further RD&E to be cost-effective and available for irrigation farmers to use.

NSWIC is currently advocating for commitments of funding towards RD&E into irrigation farm efficiency through a measure akin to an *Irrigation Research and Development Corporation*, specifically focused on irrigation farming efficiency technology to allow water and energy savings. NSWIC encourages the Taskforce to consider this initiative as part of the Strategy.

NSWIC also highlights the existing RD&E strategy for Water Use in Agriculture and encourages the Taskforce to investigate opportunities to align with this strategy.⁶ NSWIC welcomes the opportunity to liaise with the Taskforce regarding RD&E for water use in agriculture.

NSWIC suggests that the key finding is revised to include breadth of opportunities for irrigation and water use efficiency RD&E, as well as the existing key finding of stronger leadership and coordination for cross-cutting issues.⁷

⁵ Australian Government Department of the Prime Minister and Cabinet, Joint Agency Drought Taskforce (2019), “*Developing a Commonwealth Strategy on Drought Preparedness and Resilience*” [p4].

⁶ National Primary Industries Research Development & Extension Framework, Strategies, ‘Water Use in Agriculture’, available at: <https://www.npirdef.org/strategy/19/Water-Use-in-Agriculture>

⁷ Australian Government Department of the Prime Minister and Cabinet, Joint Agency Drought Taskforce (2019), “*Developing a Commonwealth Strategy on Drought Preparedness and Resilience*”.



Financial Planning, Counselling and Income Support

NSWIC agrees with the key finding that all businesses in rural communities are affected by drought.⁸ It is important that the multiplier effects from reduced water availability are understood. NSWIC is advocating for Socio-Economic Impact Statements to become a legislated requirement (similar to Environmental Impact Statements) for all relevant policy proposals, and for the findings to be published in Rural Communities Impact Statements prior to public consultations. This is essential during both drought and non-drought times to ensure communities are prepared and resilient through all climate scenarios.

The option of subsidised loans is often favoured by farmers, as this provides the flexibility to carry on in severe circumstances, whilst feeling dignity of paying it back in the future.

Families, Individuals and Communities

NSWIC agrees that droughts have serious social and economic impacts that stretch to individuals, families and communities. NSWIC strongly supports the inclusion of mental health in the Strategy. It should be added that whilst a critical first step is ensuring that mental health services are available, including availability of General Practitioners, a further step is making sure people in rural communities use these services, rather than adopting the “it’ll be right” mentality.

Another consideration must be a strategy to address the abuse, bullying and threats made towards farmers and the farming industry, particularly through social media. A clear example is the current campaign against cotton that has seen some farmers and their families subjected to dreadful on-line abuse while facing all the usual stresses of being in the middle of a crippling drought. A public education campaign should be developed to explain the benefits of annual cropping which is flexible and suited to the Australian climate of water variability. Currently irrigation farmers feel isolated and vulnerable while some elected representatives take advantage of public ignorance to further their own agendas.

Community Preparedness and Resilience

It is vital that communities are involved in policy development to ensure it is practical and can be best-used. NSWIC supports the approach that:

“Consideration is being given to how governments can encourage and support the development of drought plans that are tailored for local circumstances and owned by the local government and community.”⁹

For community preparedness and resilience, advancements to existing infrastructure or the development of new infrastructure, is valuable. This ensures that storages are able to hold sufficient water reserves for long dry periods.

⁸ Ibid [p5].

⁹ Ibid [p6].



3. Stewardship of important natural resources

The paper states:

*“the Taskforce is considering whether there is a need for a strengthened strategic, holistic and long-term approach to manage future pressures on this critical national resource”.*¹⁰

The key finding is that:

*“A long term, strategic view of national water resources would help to improve prioritisation of major investment decisions and management of key systems to account for future pressures”.*¹¹

NSWIC seeks clarification to ensure that any new strategy would fit within existing plans for water use and water management. We are currently in the middle of implementing the Murray-Darling Basin Plan which is a world first for a whole River Basin and interjurisdictional water resource management. The process for developing the Basin Plan was challenging and had to recognise the variabilities between catchments within the Basin. To try to replicate such a process across the entire Nation which does not experience droughts, floods or any climate factors uniformly, would be extremely difficult. NSWIC suggests it is better to look at the various Basin areas and develop suitable management plans and investment strategies within each Basin, to inform any national strategy.

At the same time, it must be remembered that the instability faced by water users of constantly changing management plans is damaging. The uncertainty disrupts investments, market confidence and long-term planning for water use.

Recognition and support for environmental stewardship

There is also a need for the recognition of farmers who are caretakers of environmental assets on private property, and for those farmers to be supported in their environmental stewardship. There are many cases whereby farmers manage valuable ecological assets on their land, and these practices must be supported, particularly in times of water insecurity.

¹⁰ Ibid [p7].

¹¹ Ibid.



Conclusion

NSWIC supports the development of a Commonwealth Strategy on Drought Preparedness and Resilience.

For irrigation farmers, stability of water management plans and policies is required to provide certainty during drought times, when often management plans are called into question. The cycle of drought followed by water reform must stop and the effectiveness of past reform be given time to be proven.

NSWIC strongly supports inclusion of mental health within the Strategy, highlighting the emotional strain resulting from current public debate surrounding water use. This shows the need for improved information availability to provide accurate information of the causes and impacts of drought to counter misinformed bullying and abuse.

NSWIC welcomes further discussions about any of the issues or recommendations raised in this submission.

Kind regards,

NSW Irrigators' Council.