

Policy on Deliverability

March 2020

Developed by the NSWIC River Operations Policy Portfolio Committee





TABLE OF CONTENTS

1. NSW IRRIGATORS’ COUNCIL	3
2. MEMBERS OF THE NSW IRRIGATORS’ COUNCIL	3
3. RELEVANCE TO NSW IRRIGATORS’ COUNCIL’S STRATEGIC PLAN	4
4. NSW IRRIGATORS’ COUNCIL’S GUIDING PRINCIPLES	4
5. NSWIC POLICY POSITIONS ON DELIVERABILITY	5
5.1 Primary Policy Position	5
5.2 NSWIC Criteria for Government Action on Deliverability Challenges	5
6. BACKGROUND	5
Causes.....	5
Consequences	6
Current Context	6
Key Issues	6
7. APPROVAL AND REVIEW DETAILS	7
9. CONTACT US	7

Disclaimer

This policy is not – and must not be interpreted as – endorsement or support for any of the legislation, plans or processes to which this document addresses.

This policy is not designed to favour any side of politics. As an apolitical entity, all NSWIC policies are designed based on evidence and robust consultation with irrigation farmers and communities to which these issues affect most.

Policy positions must be passed through a motion at a NSWIC meeting by Members. However, 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.



1. NSW Irrigators' Council

The NSW Irrigators' Council (NSWIC) is the peak body representing irrigation farmers and the irrigation 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 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 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. NSWIC and our Members are a valuable way for Governments and agencies to access this knowledge.

The policies of NSWIC are intended to provide decision-makers with a source of advice, guidance and evidence for best-practice policy, not only *endorsed* by the industry, but *developed* by the industry. This provides decision-makers with an efficient, timely, and effective means to adopt and implement industry and community policy positions at local, state and federal levels.

All NSWIC policies are founded on core principles.

2. Members of the NSW Irrigators' Council

The NSW Irrigators' Council has 22 member organisations that are located across NSW. These member organisations include valley water users' associations, food and fibre producers, irrigation corporations and commodity groups from the rice, cotton, dairy and horticultural industries.

Southern Valleys

- 1) Murray Irrigation Ltd.
- 2) Murray Valley Private Diverters Inc.
- 3) West Corugan Private Irrigation District
- 4) Western Murray Irrigation Ltd.
- 5) Murrumbidgee Private Irrigators' Inc.
- 6) Murrumbidgee Groundwater Inc.
- 7) Murrumbidgee Valley Food & Fibre Assoc.
- 8) Coleambally Irrigation Co-operative Ltd.
- 9) Riverina Winegrape Growers
- 10) YACTAC
- 11) Ricegrowers' Assoc. of Australia

Lachlan Valley

- 12) Lachlan Valley Water

Coastal Valleys

- 13) Bega Cheese Ltd.
- 14) Hunter Valley Water Users' Assoc.
- 15) Richmond Wilson Combined Water Users' Assoc.

Northern Valleys

- 16) Border Rivers Food & Fibre
- 17) Gwydir Valley Irrigators' Assoc. Inc.
- 18) Namoi Water
- 19) Macquarie River Food & Fibre
- 20) Barwon-Darling Water

State-wide

- 21) Cotton Australia
- 22) NSW Farmers' Assoc.



3. Relevance to NSW Irrigators' Council's Strategic Plan

- *Mission (1): To protect, secure and enhance the rights of irrigation farmers and water owners in NSW;*
- *Value (2): NSWIC is proactive and constructive and seek to resolve issues;*
- *Mission (4): Influence policy development and implementation at all levels of government and bureaucracy;*

4. NSW Irrigators' Council's Guiding Principles

Integrity	Leadership	Evidence	Collaboration
Environmental health and sustainable resource access is integral to a successful irrigation industry.	Irrigation farmers in NSW and Australia are world leaders in water-efficient production with high ethical and environmental standards.	Evidence-based policy is essential. Research must be ongoing, and include review mechanisms, to ensure the best-available data can inform best-practice policy through adaptive processes.	Irrigation farmers are stewards of tremendous knowledge in water management, and extensive consultation is needed to utilise this knowledge.
Water property rights (including accessibility, reliability and their fundamental characteristics) must be protected regardless of ownership.	Developing leadership will strengthen the sector and ensure competitiveness globally.	Innovation is fostered through research and development.	Government and industry must work together to ensure communication is informative, timely, and accessible.
Certainty and stability is fundamental for all water users.	Industry has zero tolerance for water theft.	Decision-making must ensure no negative unmitigated third-party impacts, including understanding cumulative and socio-economic impacts.	Irrigation farmers respect the prioritisation of water in the allocation framework.
All water (agricultural, environmental, cultural and industrial) must be measured, and used efficiently and effectively.			Collaboration with indigenous nations improves water management.



5. NSWIC Policy Positions on Deliverability

5.1 Primary Policy Position

River systems must be managed most efficiently to minimise operational losses and maintain reliability and accessibility to all water users, whilst respecting the physical capacity and needs of the river system.

The NSW Irrigators Council recognise an implied delivery right of water entitlements exists.

5.2 NSWIC Criteria for Government Action on Deliverability Challenges

The NSWIC Criteria for Government Action on Deliverability Challenges:

- Protect the property rights of entitlement holders (i.e. water availability, accessibility, reliability);
- Ensure no negative unmitigated third-party impacts (including for the environment);
- Delivery shortfall risks are to be borne by new developers;
- Be agnostic to (not discriminate between) agricultural industries;
- Seek to minimise operational losses – with delivery of productive water not being overbank;
- Maintain entitlement characteristics;
- Enforce trade rules;
- Improve the understanding of risk, and the management of risk, for all water users (historical and new);
- Recognise and account for the environmental benefits from the delivery of productive water;
- Ensure consultation with stakeholders.

NSWIC note that the uniqueness of individual valleys and their distinct river operation practices must be a foremost consideration in response to deliverability challenges.

6. Background

Deliverability refers to the ability for water to be physically delivered to the water user, relating to the channel capacity of river systems and constraints within the system. Simply, there is growing concern that the river system simply cannot deliver the required volume of water to water users.

Deliverability issues are a state-wide matter, with the most prominent example being deliverability challenges regarding the Barmah-Millewa Choke on the Murray River.¹

Causes

Deliverability issues arise as a result of increasing downstream demand (from growing irrigation developments, and large parcels of environmental water delivery), and a declining capacity of the river (siltation, erosion, etc.).

¹ <https://www.mdba.gov.au/managing-water/water-markets-trade/barmah-choke>



More specifically, according to the MDBA, delivery shortfall risk is caused by a number of factors, including:

- *“changes in land use, including growth in the irrigated agriculture sector*
- *changes in climate or extremes such as heatwaves*
- *changes in water use*
- *channel capacity limiting the amount of water the river can carry, including through the Barmah Choke and Goulburn and Murrumbidgee rivers.”²*

Consequences

The consequence for irrigation farmers is a risk to both the reliability of water entitlements, and risk to the accessibility of allocations. The risk to reliability is a result of substantial losses in the system reducing the total water balance; and the risk to accessibility is a result of the physical capacity of the system to deliver desired volumes of water.

Current Context

In December 2019, the Independent Panel for Capacity Project Review released a report titled *“Understanding River Murray water delivery shortfall risks”*.³ The report found that:

“Irrigators and communities along the River Murray should be aware that there is an increasing risk that water cannot be delivered to users when they want it”.

The report to Ministerial Council (December 2019) identified a number of key findings relating to the River Murray Capacity and Delivery Shortfall Project, including:

“The current risk of a system or delivery shortfall downstream of the Choke will increase as a consequence of reducing channel capacity at the Barmah Choke and in downstream tributaries, increasing horticulture development in the Murray Valley, the increased water requirements of horticulture developments as recent plantings mature, and the requirement to deliver environmental entitlements to achieve outcomes under the Basin Plan. This is likely to be exacerbated under a drying climate.”⁴

The report also identified a number of recommendations, including an immediate priority of jurisdictions developing a contingency framework for decision-making to manage shortfalls, as well as assessment of management options (structural, policy and operational).⁵

Key Issues

Water users are concerned that channel capacity constraints could impact water property rights (in terms of water availability, accessibility and reliability) and cause significant environmental damage. Policy measures to address these issues, must respect water property rights and natural river environments.

² <https://www.mdba.gov.au/sites/default/files/Understanding-River-Murray-waterfall-risks.pdf>

³ <https://www.mdba.gov.au/publications/mdba-reports/river-murray-water-delivery-shortfall-risks>

⁴ <https://www.mdba.gov.au/sites/default/files/pubs/ipcpr-minco-final-report-2019.pdf>

⁵ <https://www.mdba.gov.au/sites/default/files/pubs/ipcpr-minco-final-report-2019.pdf>



7. Approval and Review Details

Approval and Review	Details
Approval Authority	Council
Review Period	Maximum 5 years - or as required earlier
Next Review Date	March 2025 - or as required earlier

Amendment History	Details
Original Approval Date	N/A
Amendment Authority and Date	N/A
Notes	-

9. Contact Us

If you would like to give us feedback on this policy document, you can contact our office at nswic@nswic.org.au or call us during office hours on (02) 9264 3848.

For more information about the Council and our work, visit our website www.nswic.org.au.



Appendix 1: All NSWIC Policy on Deliverability

Date	Name	Motion Details
Nov-10	Intergovernmental Agreements	<i>That NSWIC demand open consultation with all stakeholders when developing intergovernmental agreements concerning water programs/policies.</i>
Jul-19	Deliverability	<p><i>NSWIC note an implied delivery right of water entitlements exists.</i></p> <p><i>NSWIC note the 5 critical issues identified by the DWG as areas of significance for NSWIC and note ongoing work by the DWG to identify the best way forward for each of these issues.</i></p> <p><i>Issues are:</i></p> <ol style="list-style-type: none"> <i>1) Sharing arrangements between states</i> <i>2) Sharing arrangements within states</i> <i>3) Data availability and accessibility</i> <i>4) Impact of the new regime of environmental water delivery</i> <i>5) Regulation of new developments and understanding of risks</i> <p><i>The NSW Government must formalise the channel capacity rule sharing agreement between NSW and Victoria in peak demand.</i></p> <p><i>NSWIC request the MDBA define Murray River maximum capacity, and define the level of losses, and adhere to that capacity.</i></p> <p><i>NSWIC request that the NSW Government investigate options for a capacity sharing mechanism on the Murray River. NSWIC note that the DWG are currently investigating various options.</i></p> <p><i>NSWIC note the issue of data availability and transparency, and advocate for improved transparency and greater level of involvement by the irrigation sector in government consideration of options to address deliverability issues.</i></p> <p><i>NSWIC request the NSW Government appropriately inform new developers of water delivery risks and develop a system that ensures new developers bear the consequent delivery risks.</i></p>
Mar-20	The NSWIC Criteria for Government Action on Deliverability Challenges	<p><i>The NSWIC Criteria for Government Action on Deliverability Challenges:</i></p> <ul style="list-style-type: none"> <i>• Protect the property rights of entitlement holders (i.e. water availability, accessibility, reliability);</i> <i>• Ensure no negative unmitigated third-party impacts (including for the environment);</i> <i>• Delivery shortfall risks are to be borne by new developers;</i> <i>• Be agnostic to (not discriminate between) agricultural industries;</i> <i>• Seek to minimise operational losses – with delivery of productive water not being overbank;</i> <i>• Maintain entitlement characteristics;</i> <i>• Enforce trade rules;</i> <i>• Improve the understanding of risk, and the management of risk, for all water users (historical and new);</i> <i>• Recognise and account for the environmental benefits from the delivery of productive water;</i> <i>• Ensure consultation with stakeholders.</i>