

Select Committee on Floodplain Harvesting

29 October 2021

Climate Change Factored into Floodplain Harvesting, more so if regulated

Dear Committee,

Based on the public hearings, we are aware that climate change in the context of the Floodplain Harvesting (FPH) reform has emerged as an issue. NSWIC takes climate change very seriously, as our farmers are on the frontline of its impacts and are already experiencing declining water allocations.

This letter is to clarify how climate change will be incorporated through regulating FPH, and why this reform is even more critical in the context of climate change.

1) Directly through less frequent floods

Climate change is forecast to (and already is observed to) result in more frequent, prolonged and severe droughts, as part of more intense climatic extremes. With floods becoming fewer, and further between, there will automatically be less opportunity for FPH.

This is consistent with reduced water availability under all other water licence types. The warming, drying trend since 2000 has already seen inflows nearly halve across the Basin and is a major driver for the declining reliability of water licences held by both irrigators and the environment.

For example, general security entitlement reliability in the Murray has fallen from 81 per cent of the licensed volume down to around 48 per cent since 2000. In the Namoi valley in the northern Basin, general security entitlement reliability has fallen from 77 per cent to around 39 per cent.

2) Automatically through Available Water Determinations (if regulated)

All water licences are designed to be flexible and responsive to how much water is available in the system. They are not an annual right to the volume of water set in the licence, rather a share of that category of water when and if it is available. The amount that can be extracted under each licence is allocated via an annual Available Water Determination (AWD).

An AWD is defined as: “a water allocation, which informs licensed water users how much water they can extract, is a type of announcement known as an available water determination”¹. Allocations can be updated through a season if conditions change.

The NSW Floodplain Harvesting Policy is clear that AWDs will apply to FPH licences. This means if less water is available, or licences need to receive less water, the AWD can be adjusted accordingly.

¹ <https://www.industry.nsw.gov.au/water/allocations-availability/allocations/determinations>

The Policy says:

“It is also possible that once individual licences have been issued, estimates of the total long-term average annual take associated with floodplain harvesting could be recalculated due to better information or further improvements in model accuracy.

In recognition of this possibility, water sharing plans will permit available water determinations for floodplain harvesting access licences to be adjusted.”²

Changes to AWDs are common practice for all types of water licences across NSW and are nothing new nor extraordinary. The *Water Management Act 2000* (WMA) has very clear rules in making AWDs, which prioritises the environmental and human water needs above irrigation.

Priority	Extreme events	Normal circumstances
Highest	<ul style="list-style-type: none">• Critical human water needs	<ul style="list-style-type: none">• Needs of the environment
High 	<ul style="list-style-type: none">• Needs of the environment	<ul style="list-style-type: none">• Basic landholder rights
	<ul style="list-style-type: none">• Stock• High security licences• Commercial and industrial activities authorised by local water utility• Water for electricity generation on a major utility licence• Conveyance in supplying water for any priority 3 take	<ul style="list-style-type: none">• Local water utility access licences• Major utility access licences• Stock and domestic access licences
	<ul style="list-style-type: none">• General security licences	<ul style="list-style-type: none">• Regulated river (high security) access licences
	<ul style="list-style-type: none">• Supplementary licences	<ul style="list-style-type: none">• All other forms of access licences• Supplementary access licences
Low		

Source: Based on priorities table in *Macquarie-Castlereagh Surface Water Resource Plan: Schedule G—Macquarie-Castlereagh Incident Response Guide*

Under this system, once regulated, floodplain harvesting will be placed at the end of this line of priority.

Why climate change makes licensing more important

With climate change already reducing water availability generally, this and future governments must have the ability to manage and limit every form of water take. At the same time, climate change highlights the need to capture water in times of plenty to help farmers, towns and communities survive the more frequent, severe and prolonged droughts.

Right now, we have an absurd situation where some people not only want to stop farmers accessing any floodwater but are also arguing for other changes so farmers in practice can't access water at any other times either, just in case a drought starts tomorrow. Perhaps they should just be honest and say they want to kill off irrigated agriculture and the many small towns that depend on it for jobs, income and the population to maintain health, education and other vital public services.

Not only will this reform mean more water stays in rivers and on floodplains, but it gives government the ability to manage it through limits on take and metering, which it does not have at present. Whilst this reform will be an important step forward with a changing climate, measures well beyond the scope of any FPH reform will also be needed (i.e. secondary town water supply options, as one example).

² https://www.industry.nsw.gov.au/__data/assets/pdf_file/0017/143441/NSW-Floodplain-harvesting-policy.pdf

NSWIC reiterates that our industry is supporting this reform – in good-faith – as we believe that all water sources and forms of take should be subject to strict regulations, including volumetric limits and metering. We reiterate that this is a difficult adjustment to farmers and communities facing less water availability, and we have worked hard to foster acceptance of those affected. This acceptance should not be taken for granted.

Yours sincerely,



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