

Submission to NSW Office of Water and NSW Water Minister

Proposed Amendments to NSW Water Management Act 2000

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Introduction

NSW Irrigators' Council (NSWIC) represents more than 12,000 irrigation farmers across NSW. These irrigators access regulated, unregulated and groundwater systems. Our members include valley water user associations, food and fibre groups, irrigation corporations and commodity groups from the rice, cotton, dairy and horticultural industries.

This document represents the views of the members of NSWIC. However each member reserves the right to independent policy on issues that directly relate to their areas of operation, or expertise, or any other issues that they may deem relevant.

General Comments

New South Wales Irrigators Council (NSWIC), as the peak body representing 12,000 irrigators in this state, believes that alterations to legislation must be the subject of significant consultation and must not be undertaken lightly. We do not believe that this is the case in the present circumstances.

NSWIC has adopted a *Consultation Expectations* policy, a copy of which is available on our website which may prove useful in designing an engagement process.

Background

NSWIC was provided with a one page document from the NSW Office of Water (NOW) titled "Amendments to the Water Management Act 2000." That document sets out four headings with a paragraph under each outlining the goals of proposed changes.

On 23 September, senior NOW officers met with a Reference Group of NSWIC to discuss the proposed changes. Whilst significantly greater detail was provided during the course of that meeting, draft amendments were not provided to enable full consideration of proposed changes.

Submission

It is the submission of NSWIC that the level of consultation necessary prior to amending the Act which underpins water licenses in this State has not been entered into. Specifically, draft amendments have not been provided for consideration and advice.

In light of the lack of consultation to date, NSWIC submits that it would be highly inappropriate for legislation amending the Act to come before the Parliament. Were that to occur, NSWIC would oppose its passage.

NSWIC retains a positive outlook to legislative amendment where necessary, but is, and always will be, wary of change for the sake of change given what is at stake.

Matters Considered

Extending Market Principles to Special Purpose Licenses

We note that two separate schemes are proposed – the trade of Utility licenses and the trade of Stock and Domestic licenses

Departmental officers advised that trade is not proposed in "inactive" licenses to limit growth in use. NSWIC is of the opinion that such a proposal cannot be effectively enacted. Moreover, we are of the firm opinion that trade cannot be effectively carried out in a situation where the issue of further entitlement is contemplated.

NSWICs Reference Group raised concerns in respect of utilities running short of water subsequent to trade and simply seeking more from government. We understand that consideration has been given to a “clawback” provision in this instance, but are not convinced of its workability.

NSWIC may consider supporting transfer of allocation against utility entitlement. In tacitly supporting temporary trade, we note that it is currently possible with Ministerial discretion and hence may not require a change to the legislation.

In any event, we submit that significantly more thought must go into developing the process for such an occurrence in consultation with stakeholders. We further submit that consideration of compliance with the National Water Initiative is necessary, as we suspect that it may not be achieved in this instance.

With respect to the trade of Stock and Domestic entitlements, NSWIC has established a Reference Group to consider the matter.

Reducing Red Tape

We recognise that proposed changes would be limited to statutory bodies and acknowledge that some change in this area may be beneficial. We further note that change would occur in two tranches – the first to comply with the Commonwealth *Water Market Rules* and the second to improve governance. We were assured by NOW officers that the second tranche will not be introduced until such time as direct engagement has been affected.

We continue to hold concerns as to the impact of the *Water Market Rules* on irrigators in small infrastructure operator areas. We firmly believe that this action is too little, too late and that the matter should – as NSWIC submitted on many occasions – have been dealt with well prior to this significant action.

Again, NSWIC cannot support changes to the Act without first having the opportunity to contemplate those changes in draft form.

Enforcement

We are unable to provide comments on this matter until such time as the draft amendments have been provided to us.

Environmental Accounting

We support, in theory, changes to accounting for environmental water such that it is not included in long term average extraction figures. This is not unconditional support as, again, we have not been provided with the draft amendments.

As a general rule, NSWIC will not support any change to the fundamental characteristics of an entitlement, such as when purchased for use on environmental assets.

We submit that a change to accounting rules may not require a change to the legislation.

ENDS