



NSWIC
NEW SOUTH WALES
IRRIGATORS'
COUNCIL

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Coastal Water Policy

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Introduction

NSW Irrigators' Council (NSWIC) represents more than 12,000 irrigation farmers across NSW. These irrigators are on 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.

Executive Summary

This document deals with water management in coastal areas of NSW.

There is a need for Coastal water management to be treated separately to inland water management due to very different

- climate;
- hydrology; and
- water demands

With approximately 80% of the NSW population living on the coast and projections of substantial growth in the near future, water management becomes increasingly important.

Coastal irrigation water use is characterized by a large number of small licences. Approximately 80% of Water Access License holders are located on the coast, accounting for only 20% of total extraction. Specific coastal policies addressing these unique characteristics will protect and enhance the important place in the economy of NSW of coastal irrigation.

This document specifically deals with issues identified by coastal irrigators:

- Barriers to Agricultural Growth
- Water Pricing
- Population Growth, Urban Encroachment and Resource Planning
- Harvestable Right and the Storage of Water
- Government Policy and Funding

Background

Irrigation water in coastal areas is derived from regulated¹ rivers and unregulated² rivers, groundwater sources and rainfall runoff. Large rainfall events occur in coastal areas, however these are not consistent throughout the year, requiring supplementary irrigation to take crops through to harvesting.

Coastal rivers are short in nature and discharge into the ocean, with only very short time frames from head of system to final discharge. Most of these rivers are unregulated with very few dams or weirs in place to control flows. Coastal users have demonstrated very effective self regulation over many years with water users groups who self monitor flow rates and implement pumping restrictions and cessations. The vast majority of irrigators rely on pressurised or piped (drip) systems.

Generally, unregulated coastal irrigators have small volume licences, but there are many thousands of them. Licence holders accessing water during high and low-flow occurrences are extracting between 3 – 10% of the total water yield, leaving 90 – 97% to be discharged. Presently most are unmetered.

Irrigators acknowledge that diverting too much water from river systems can change the natural flow regime of the river, potentially affecting environmental flows. It is important to maintain a balanced system which benefits all involved. There are however times when extracting large amounts of water is possible without compromising environmental benefits.

Population on the coast is predicted to double in the next 50 years. Urban water authorities will be seeking greater access to water and, under current legislation these authorities take priority over all other users, without compensation to irrigators. There is an obvious need for an integrated water management plan on a catchment by catchment basis. This should take into account the forecast of future needs for agricultural, industrial and urban/rural residential use, so that water supply authorities and governments have accurate information on which to base decision making as well as to reduce the chances of conflict between those competing for the resource.

The present drought situation and predictions of future water shortages means the storage of water overall needs to be encouraged. Whether this is on farm, cooperative or public storages, effective management of this resource points to the ability to capture large amounts during times of plenty in order to supply needs in times of shortages.

¹ Regulated Rivers – have a managed flow regime due to the structures in place controlling them.

² Unregulated Rivers – operate in two states, high-flow and low-flow.

BARRIERS TO AGRICULTURAL GROWTH

Embargo

Situation:

An embargo in place since 1995 on any new licenses or increases to existing licenses for unregulated water sources (exception of some groundwater sources). Initially a temporary measure prior to the implementation of Water Sharing Plans, now 12 years on and only limited plans are in place, leaving a majority of water users with no security of access conditions.

Solution Proposed:

Water Sharing Plans need to be in place throughout coastal areas giving security to access conditions and hence farmers confidence to invest.

Metering

Situation:

There is no standardised metering in place for water usage on the coast with currently about 1% of unregulated licenses being metered.

Solutions Proposed:

A partnership program for the phasing in of meters on all water access points. Funding from the NSW Government for phasing in meters.

Stock and domestic use under riparian rights would need to be taken into account in the plans because it accounts for a lot of water, but it must retain its unlicensed status.

WATER PRICING

Situation:

On average, system and delivery charges on regulated coastal water is 2 to 3 times more expensive per ML than inland water. This is due to regulated systems having high costs per ML which have to be met by irrigators with small allocations.

In the unregulated system, trading is relatively new with access to data (value and metering) very difficult.

IPART prices for bulk water are moving towards full cost recovery.

Coastal irrigators also rely on piped and pressurized systems, which although being very water efficient, have high application and maintenance costs.

Solutions Proposed:

Water pricing should not be cross subsidised. Pricing should be based on the rate for the Hunter Regulated system (after the Paterson system costs have been removed) as this is more representative of a sustainable water pricing cap for the coast. All

other regulated coastal river costs in excess of this cap, be recognised by Government as a community service obligation.

Uncontrolled and supplementary water on regulated coastal streams should be charged at a lower rate.

IPART must remain as the price regulator and NSW must not “opt-in” to ACCC rules outside the MDB.

POPULATION GROWTH / URBAN ENCROACHMENT / RESOURCE PLANNING

Situation:

Planning of subdivisions and hobby farms is not accounting for the increased demand for water and the effect of this on existing riparian rights.

Solutions Proposed:

Improved planning of rural subdivision and hobby farms to manage water volumes extracted under riparian rights.

Development of plans needs to be consistent across coastal areas. Plans need to be fully integrated across all classes of users, including urban and mining users.

Any developments requiring water must access this need via the water market.

Coastal irrigators need to be involved in the creation of these plans. These plans must define property rights including water from aquifers. Plans must include the effect of activities such as mining, gas extraction, plantation expansion and bottled water business on aquifers and harvestable rights.

HARVESTABLE RIGHT / STORAGE OF WATER

An Irrigators harvestable right permits the capture of 10% of rainfall runoff. Several issues exist which make it difficult for farmers to capture this 10%. On farm and community water storage is a practical and viable solution to water management on the coast, but current policies prohibit this solution from being implemented.

Situation:

A proposed 2.5 to 1 rate as an incentive to move users out of low flow licences to high flow licences does nothing to encourage extraction at times of high flow as gains are lost due to evaporation.

State Water policy of imposing a usage charge for uncontrolled and supplementary water discourages on farm storage of high flow water.

Without a licence, small dams are permitted on 1st and 2nd order streams, however these are often not feasible as most farms cannot find suitable sites to enable the capture of the 10% harvestable right in single efficient storages. Multiple on farm storages are an inefficient and costly option.

Licensing restrictions for farm dams on 3rd order streams or above restrict irrigators ability to access the harvestable right.

Solutions Proposed:

Streamline the licensing process.

Increase access to high-flow entitlements to maximize the benefits of this additional water.

Uncontrolled and supplementary water on regulated coastal streams should be charged at a lower rate.

Amendment to present regulations affecting farm dam construction on 3rd order streams is required to allow for full capture of the harvestable right.

Increased incentive of a better conversion rate from low flow licence to dam filling is required.

CONCLUSION

Clear policy to manage coastal water sources fairly is imperative to the success of existing and further development within the region.