



**RICEGROWERS' ASSOCIATION
OF AUSTRALIA INC**

**SUBMISSION TO THE NSW
GOVERNMENT RIVERINA MURRAY
IMPORTANT AGRICULTURAL LAND
MAPPING**

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1. INTRODUCTION

This submission has been prepared by: Neil Bull

The Ricegrowers' Association of Australia (RGA) welcomes the opportunity to comment on the draft Riverina-Murray Important Agricultural Land Mapping.

This submission is in response to the draft Riverina-Murray Important Agricultural Land Mapping prepared by the NSW Department of Primary Industry.

2. THE RICEGROWERS' ASSOCIATION OF AUSTRALIA

The RGA is the collective voice of rice growers in Australia. The RGA represents the interests of around 1200 voluntary members. The main objective of the RGA is to provide members with strong and effective representation on issues affecting the viability of their businesses, their communities and their industry.

The RGA is made up of eight branches located across the Riverina rice growing regions of NSW. Each branch annually elects representatives to form the RGA Central Executive. The Central Executive represents their respective branches in determining RGA policy and projects.

The RGA is a member of the National Farmers Federation, National Irrigators Council, NSW Irrigators Council, Plant Health Australia and the Associations Forum.



In a typical year the industry produces around eight hundred thousand tonnes of paddy rice with a farm gate value of over \$300 million. Our ability to continue to produce rice is due to the returns per ML our growers are able to attract. This is due to the clean, high quality niche varieties we grow, consistently high yields, the world's most efficient rice watering practices, an integrated rice farming system enabling mutual benefit between rotating crops, world's best practice storage and milling, and highly sophisticated branded marketing into over 60 countries around the world.

After value adding by the grower-owned milling and marketing company SunRice, total industry value is well over \$1 billion each year. This makes the rice industry a significant economic contributor to the Riverina region of NSW. The towns of Griffith, Leeton, Coleambally, Finley, Jerilderie, Deniliquin, Wakool and Moulamein are highly dependent on rice production for their social, economic and environmental wellbeing.

3. THE RGA'S POSITION

The RGA in general believes the description of the Riverina-Murray's Agricultural Profile is accurate at this moment in time.

In addition, the RGA agrees with the mapping of the important agricultural land in this region.

The RGA however wishes to provide specific comment regarding the creation of new land development and the need for regulation of new irrigation developments outside existing irrigation areas, and in particular, the Private Irrigation Districts (PID's) of the Riverina Murray.

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Description of New Irrigation Development in NSW

Over the past decade we have seen a significant reduction to the total volume of water available to irrigation, through both the recovery of irrigation water for the environment' and the reduction in water entitlement reliability for a number of reasons. At the same time we have seen an expansion of the land developed for irrigation purposes. In particular, we have seen the establishment of a number of new significant horticultural irrigation land developments (permanent plantings) who require access to irrigation water every year, despite the availability of water and the seasonal climate.

This has meant that there is ever-increasing demand for water while at the same time a reducing total supply. Considering many of the new developments consist of permanent plantings, this has effectively diverted water from existing irrigation developments, in particular those that have traditionally produced annual crops (which growers can choose not to produce in years of low water availability, such as 2018/19). This has resulted in large volumes of both permanent and temporary (annual) water be traded from established private irrigation districts (PIDs) and river pumps to new irrigation developments.

This trade effectively reduced the Gross Value of Production (GVP) for the PID's and diminishes the importance of the agricultural lands within PID's. The productivity of these important agricultural lands is directly dependent on the reliable supply of irrigation water.

Impacts of New Irrigation Development in NSW

The movement of water from established PID's and river pumpers is likely to result in the following impacts:

- There will be a reduction in these districts contribution to the States GVP. The biggest impact will come from the reduction in annual crop enterprises including rice, cotton, corn, irrigated wheat and other cereals, canola, lucerne, pastures and other fodder crops for livestock including dairy. These crops are dependent on general security water allocations and the annual water market.
- There will be a continuation of the reduction to the economic prosperity and social wellbeing of many of the communities located within and around the established PID's. Socioeconomic data from the Murray Darling Basin Authorities 'Southern Basin Community

Profiles¹ demonstrates that water reform to date has significantly impacted upon the economic and social resilience of many of these communities, such as Wakool, Berrigan and Finley. In particular, the SEIFA score for many communities has significantly reduced and is now dangerously low. Therefore to ensure the sustainability of these communities and their economies, it is important that they are provided the opportunity to adjust to the pressures of water reform to date, without any further significant reduction to water availability. For this reason, it is important that government seek to ensure that water s within the PID's.

- Within the PIDs, there have been investments of billions of dollars made in processing facilities, transport and rail infrastructure, earthmoving equipment, packaging and agronomic services. The multiplier effect of these investments and the high employment requirements has created strong local economies. However, the trading out of productive affordable water has and will continue to cause significant local economic decline.
- In addition, the Commonwealth and NSW Governments have invested billions of dollars in constructing and modernising the irrigation infrastructure within the PIDs. For example. In recent times, the federal government's Private Irrigator Infrastructure Operator Program (PIIOP) has seen around a billion dollars invested in modernising these supply systems to make them as efficient as any in the world. Schemes such as Murray Irrigation are no only gravity fed and therefore require very low energy input, but also operate at around 95% water efficiency. The movement of water from these PID's to new irrigation developments significantly undermines the billions of dollars of investment in water delivery infrastrucuture within these PIDs.
- Furthermore, over the last two decades, many ilandholders within established irrigation schemes have spent hundreds of thousands of dollars modernising their on-farm irrigation infrastructure to ensure it is as water efficient as possible. However as water market prices have increased, in part due to the increasing demand for irrigation water from new developments, and the fact that many of these developments consist of permanent plantings, we have seen many of these irrigators be priced out of the market, and consequently their highly efficient on-farm infrastructure become redundant.
- As the water price increases, many farmers may choose to convert their operations from irrigation to dry-land production. This means that the fixed costs of operating the PID's is then shared amongst a smaller number of water users, making the cost of water delivery more expensive for these remaining water users (the 'swiss cheese effect').

In addition, the following impacts are likely to be experienced by the broader community:

- Many new developments are occurring on soils close too river systems that are more sandy in nature and consequently less suitable to irrigation. This is likely to result in the leaching of salt and other nutrients from these soils into local waterways, hence impacting upon water quality.
- With large scale new developments there is a need for improvements to local infrastructure, including roads, bridges and rail. The cost of the development of this new infrastructure is bourne by tax and rate payers. This can be compared to existing PID's where substantial transport infrastructure, including rail to port, already exists. In addition, these existing schemes are likely to be serviced by the inland railway, enabling produce to be transported up and down the east coast.

Commented [MT2]: Need a reference to all the on farm development to make it a more productive system and contributions from government on this investment over many years starting with the Land and water management plans. It is covered below a bit.

¹ <https://www.mdba.gov.au/publications/mdba-reports/southern-basin-community-profiles>

- The Barham choke in the Murray River system means that only a limited volume of water can pass this point in any given day. This means that during periods of peak demand below the choke (where most developments are occurring) the pre-existing and newly established irrigation developments are likely to be put on water restrictions, limiting their ability to irrigate. The inability to supply sufficient water to crops during these periods is likely to impact upon the productivity of these irrigation crops.
- PIDs have conveyance licences allocated to enable the supply of irrigation water to all farmers within their systems. These conveyance licences do not impact on the allocations of other water uses. When water is purchased for use outside PID's any additional conveyances losses are met by river operation volumes. These increased losses ultimately reduce the total available water that can be allocated to all other water users. Considering General Security water holders are the last form of entitlement to receive an allocation, these entitlements are usually the most impacted by excessive river losses. A good example of this is the current irrigation season (2018-19) where river losses have been high due to the Murray River system being operated at above capacity levels in order to meet demand downstream of the Barmah Choke.
- The overbank events that have resulted from river operators trying to supply sufficient water to meet downstream demand has also resulted in environmental damage from the out of season flooding of ephemeral creeks and wetlands

Commented [MT3]: Need a figure or %

These negative outcomes are unintended consequences of the establishment of new irrigation districts and the emphasis on new horticultural developments.

Proposed Planning Regulations for New Irrigation Developments

The establishment of additional new irrigation developments will prevent NSW's PIDs from operating, adapting, improving and/or expanding their current operations and business².

Consequently, there are insufficient NSW planning regulations to prevent the unintended consequences of new irrigation development in NSW. This point is directly connected to the issue highlighted under "Current Challenges" in Riverina Murray Agricultural Profile Fact Sheet No.1:

"A critical concern to agriculture is securing water for production in terms of quality, quantity and delivery. The demand on an already over-allocated water supply can only intensify with the projected increase in the population of the Riverina Murray, the associated higher water demand, expanding urban development, escalating resource harvesting and mining development, and the ongoing need to meet environmental water requirements. Combined with the impacts of climate change water availability is high on the list of pressures on existing and future agriculture".³

The RGA believes that reference to managing these impacts should be included in the final documents that will guide land use planning in NSW. To achieve this, the RGA seeks the following:

- The RGA believes that both land use planning and water trade regulations should be developed together to ensure that the States irrigation infrastructure is collectively

² "Land Use Planning" in RMAPFS No.1 11/18 (pg.14),

³ November 2018 (RMAPFS No.1 11/18) (pg.11)

enhanced, not undermined.. This will maintain the importance of these agricultural lands and ensure the efficient delivery of irrigation water.

- The RGA recommends that Land Use Plans should protect existing Important Agricultural Lands. These Plans should be in place before further irrigation developments are approved.
- The RGA recommends that recent irrigation developments should be closely examined to understand and quantify the impacts on Important Agricultural Lands within PID's.
- The RGA recommends that planning regulations be designed to encourage new irrigation development to occur within existing PIDs.
- The RGA recommends that the approval process for new irrigation developments should include a process of examining (with the NSW government) the likely third party impacts of the development. NSW government officials should be granted the authority to refuse a new irrigation development where these impacts cannot be overcome. This level of planning control will avoid the devaluation of the importance of existing Agricultural Lands.
- The RGA recommends that these matters should be included in new "Land Use Planning" guidelines, and in particular, should be referenced in this section RMAPFS No.1 11/18 (pg.13):

"Land Use Planning can support sustainable agricultural development and promote improved resource management, through planning controls, in the following ways:

- ***identify lands that are highly suitable for agricultural industries;***
- ***encourage and support appropriate zoning for agricultural land and appropriate zoning within these areas;***
- ***encourage compatible development in important agricultural land areas;***
- ***apply controls that separate incompatible land uses to minimise land use conflict; and***
- ***Adopt relevant minimum lot sizes to minimise fragmentation of resource land."***

4. CONCLUSION

The RGA in general believes the description of the Riverina-Murray's Agricultural Profile is accurate at this moment in time. In addition, the RGA agrees with the mapping of the important agricultural land within the rice growing areas of the Riverina Murray.

However the RGA believes that the approval of new, large scale irrigation developments downstream of the key Private Irrigation Districts in the Murray and Murrumbidgee is already seriously impacting upon these Important Agricultural Lands. Hence planning regulations are required for new irrigation developments to protect these established irrigation developments, and the broader community, from the unintended consequences outlined above. In particular, planning regulations should seek to encourage new irrigation development to occur within existing PIDs.

The RGA believes that any approvals of new large scale irrigation developments outside the existing PIDs must ensure there are no third party impacts on the irrigators and their communities in the

Murray and Murrumbidgee valleys. This level of planning control will avoid the devaluation of the importance of the Agricultural Lands within these districts.

5. CONTACTS

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