



SUBMISSION ON FLOODPLAIN HARVESTING LICENCE RULES IN THE WATER SHARING PLANS FOR THE GWYDIR VALLEY

Irritek Pty Ltd (Irritek) appreciates the opportunity to provide a submission on the floodplain harvesting licence rules in the water sharing plans for the Gwydir Valley.

Irritek is a family-owned small business based in Moree, NSW. Irritek designs, manufactures, and supplies large-scale water infrastructure for use in agriculture. Many of our customers are irrigators in the Gwydir Valley.

In 2015, 794 of the total of 1903 businesses in the Moree Plains Shire were in the Agriculture, forestry and fishing industry (ABS, 2015), which 25.1% of the population of Moree being employed in this industry (ABS, 2016). Moree's economy is reliant on agriculture, with irrigated crops accounting for nearly half of Moree's agricultural outputs. Accordingly, any changes in policy and regulations relating to irrigation has a direct impact on Moree's economy.

Irritek is concerned about potential economic and social impacts on the community as a result of the proposed Floodplain harvesting licence rules.

Irritek makes the following submissions:

1. That the potential economic and social costs to the community as a result of the Floodplain harvesting licence rules is disproportionate to the negligible impact of the rules downstream, and that the economic cost and other impacts to irrigators will have a negative flow on effect to social investment in Moree.
2. That the economic cost and other impacts to irrigators will have a negative flow on effect to local small business.
3. That the economic cost to the community from the Floodplain harvesting licence rules should be reduced by investment into the Gwydir Wetlands to develop tourism.
4. That the initial available water determination should be set at 5ML per unit share.

1. Disproportionate cost to the community

The modelling indicates that the implementation of the floodplain harvesting licence policy will have a negligible impact downstream, with an at best 1.8% increase in annual mean flows at Walgett, and a 1.7% increase at Wilcannia. As outlined in the 'Modelled downstream effects of licensing floodplain harvesting', "the downstream impact shown in this analysis is greater than what will be realized by (NSW Floodplain Harvesting Policy) implementation". Therefore, the volumes indicated will in reality be even less than the figures listed in the report. Considering a key policy objective of the floodplain harvesting licence rules is to ensure reliable water supplies downstream, the modelling suggests that the implementation of the Floodplain Harvesting Policy will have a minimal effect downstream.

Moree's economy and community are reliant on agricultural outputs. When there has been reduced water availability, whether as a result of drought, government buybacks or lower available water determinations, economic activity in Moree has been significantly affected. The Moree population ebbs and flows with changes in water availability and has seen significant migration from Moree during drought. For example, during the Millennium Drought the Moree population fell by 14% (2,321 people) between 2001 and 2011 (Murray-Darling Basin Authority, 2016). Any hit to the agricultural sectors affects the other major sectors including health and community services and retail.

Negative economic impacts on the agricultural sector will reduce employment opportunities at a time of decreasing agricultural job opportunities due to the automation and development of artificial intelligence in the agricultural sector.

Government investment in health, education and community services is proportionate to population. When there is a decrease in population in a rural community, health, education, and community service investment also drops. For example, Moree's decreasing population has been accompanied by a significant drop in government investment in TAFE and training opportunities in Moree. This particularly impacts the marginalised in the community such as long term unemployed, disengaged youth and those with chronic health problems. This in turn disproportionately impacts the Indigenous community in Moree.

Considering the minimal affect the Policy is modelled to have downstream, Irritek questions whether the implementation of the current Policy is worth the potential cost to the Moree community.

2. Specific impact to small business

Large and national businesses have greater capacity to absorb potential reduction of sales arising from the proposed reduction in water harvesting opportunities.

Irritek is a small business employing 20 local people. Irritek manufactures and supplies irrigation infrastructure to many irrigators in the Gwydir Valley. Any costs imposed on irrigators by the Floodplain harvesting licence rules will be felt further up the supply chain. As Moree is a service town for irrigation, there are a number of small businesses like Irritek that service and supply irrigators in the Gwydir Valley.

Small and local businesses support communities and invest in employment training and retention, therefore saving government costs. In Irritek's case a core value of Irritek's corporate mission is to support Indigenous employment opportunities. Irritek was one of the original corporate users of the Aboriginal Employment Strategy and a signatory to the then Corporate Leaders for Indigenous Employment Program in 1998 and early 2000s. Since that time, Irritek has consistently employed and provided on the job training to local indigenous people as apprentices, labourers, tradesmen and workshop supervisors. A reduction in the viability of irrigation in the Gwydir valley would have a disastrous impact on small business like Irritek, its employees and future employees.

3. Investment into Gwydir Wetlands

While increased environmental outcomes in the Gwydir Wetlands is a policy objective of the proposed rules, Gwydir Wetlands currently does not have commensurate investment to ensure its economic viability. Funding should be allocated to improve access to the Wetlands and promote it as a tourist attraction, which would in turn be beneficial to Moree's economy.

Furthermore, the permanent flooding of the Wetlands is having a converse effect on the local environment. The somewhat incorrectly named Gwydir Wetlands are a floodplain, meaning they are wet during periods of flooding and are dry at all other times. Due to the constant water inflows resulting from early buybacks and environmental water releases, the Wetlands are unnaturally wet, with old gum trees currently dying due to the constant flooding.

4. Initial available water determination

Irritek submits that should the rules proceed in their proposed form, the initial available water determination should be set at 5ML per unit share. As rainfall events are highly variable in nature, irrigators and dryland farmers rely on high rain fall events to make up for the lack of rain during periods of drought. Setting the initial available water determination at 5ML per unit share would assist irrigators in adapting to the new regulatory framework and would be a pragmatic approach to ensure compliance from the outset.

Overall, Irritek is concerned about the economic and social impact of the Floodplain Harvesting Licence Rules. The modelled downstream benefits are disproportionate to the potential economic and social cost of the licence rules. Furthermore, the constant water inflows to the Gwydir Wetlands are having a converse environmental effect, with native trees dying as a result. The proposed rules will have a negligible environmental outcome.

Irritek thanks the Department for the opportunity to provide this submission and is hopeful that the Department will consider a community-informed outcome.