

Your details

Title: Mr
First name: Luke
Last name: Simpkins
Email: ceo@nswic.org.au
Organisation (if relevant): NSW Irrigators' Council
Position in organisation: CEO
Address: 491 Kent Street
Suburb: Sydney
Postcode: 2000
Type of submission: I am submitting my organisation's submission
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NEW SOUTH WALES IRRIGATORS' COUNCIL SUBMISSION

NSW WATER METERING FRAMEWORK CONSULTATION PAPER & DRAFT REGULATION

IRRIGATION IN NSW

Introduction

The NSW Irrigators' Council (NSWIC) welcomes the opportunity to provide comments to the NSW Water Metering Framework Proposal.

NSWIC represents irrigators and the irrigation industry. The Council has 26 member organisations which include valley water user associations, food and fibre producers, irrigation corporations and commodity groups from the rice, cotton, dairy and horticultural industries. There are more than 12,000 irrigator businesses in NSW. The NSWIC supports the development and growth of sustainable irrigated agriculture.

Irrigators in NSW range from small family businesses that infrequently use water, and then only in small amounts, up to large corporate organisations where it is only through their scale that they can make a business viable given the environmental challenges of low water reliability. Throughout the scale of irrigator farms and operations, the fact remains that in every case there are Australian families and regional communities that depend on these operations for their jobs and livelihood. Demonising and targeting of large businesses, which are also larger employers, will also be an attack on Australian families in the regions.

NSW and Australian Economies

Much of the food and fibre that our members grow, is the food and cotton that feeds or clothes Australians. Our industry also supports thousands of jobs, as well as providing in excess of \$9 Billion dollars towards Australia's GDP. Without a strong irrigation industry, the consequences for Australia and New South Wales would be dire. Around 50,000 Australians through the supply chain would be unemployed, the economy would be weaker and fresh food and fibre would often be substituted with inferior foreign imports, grown by non-Australian standards. Irrigators in NSW include corporate businesses, but the vast majority are actually family businesses, doing their best under very difficult environmental circumstances.

Food and Product Standards/Origins

Over the last ten years there has been a significant focus on food standards and country of origin labelling. This has been as a result of growing concerns for 'home grown' industries,

but primarily it has come about because of concerns about growing methods and standards that may result in negative health outcomes for Australians. Ultimately, Australians do wish to support Australian producers, who comply with Australian standards, and at a fair price. A recent example being the 10c per litre increase for milk to support farmers affected by the drought.

Public Perception of Irrigators

There is an enduring, but inaccurate perception of irrigators as being only large-scale corporate bodies that try to rort the system, at the cost of other users and the environment. The facts are that the number of irrigator bodies/organisations that are facing legal proceedings can be counted on one hand, while there are thousands of irrigators that are also water licence holders, but in their case, they have only the very best of records. The Council absolutely supports a strong compliance regime but notes that the vast majority of NSW irrigators have an excellent record of compliance and that as an industry this should be publicly noted.

Irrigator enterprises are primarily family owned businesses. Families and their employees, working hard and making decisions in their best interests to keep the business going. Like so many primary producers, irrigators are innovative and are always trying to do more with less. The drought has already affected many irrigators badly. Costs have risen, production has had to be wound back and as a result, margins are very tight. The viability of many businesses are increasingly under pressure, and it is in these circumstances that consideration of the water metering framework must be very carefully considered. The consequences of unrealistic and onerous compliance will place at risk Australian jobs, livelihoods and a supply of quality Australian produced food and fibre to the Australian people.

NSW WATER METERING FRAMEWORK

Consultation to Date

It is the position of the NSWIC that consultation around the metering framework should be significant and meaningful. Stakeholders such as irrigators will be greatly affected by the proposals within the Consultation Paper and Draft Regulation, and that means cost and ultimately, viability. It is always desirable that consultation take place in the regions, so that as many irrigators as possible can be seen by DI-Water staff. This would make consultation as effective as possible, and would allow the planners and policy implementers to know the consequences of their actions on those that produce economic activity for NSW, employ people, produce the food Australians eat, and the fibre used in the clothes of Australians. Onerous regulations and controls can destroy Australian businesses, therefore resulting in unemployment for thousands of Australians and greater amounts of imported food and fibre.

To avoid unemployment, economic and health consequences, DI-Water and other water industry public sector agencies need to engage in highly constructive consultation. It is not the view of our members that effective consultation has been conducted to date. Specifically there is a need to have more detailed consultation with coastal irrigators, because of the very large number of licences, the generally low volumes used, the spasmodic use, the frequent lifting or movement of pumps and where the terrain makes

mobile phone and signal coverage more difficult. It is particularly true in these circumstances that the implications for higher costs are significant.

Ultimately irrigators need to know that they are being listened to and that includes knowing that every decision made, that has a private sector consequence, is appreciated and not forgotten against the objectives of the public sector to implement a policy, regardless of the consequences on family business irrigators that need to keep their businesses viable. Driving Australian food and fibre growing into the ground with unrealistic regulatory approaches will ultimately only be good for the balance sheets of overseas primary producers and corporations, and this should be recalled throughout this consultation process.

Water Management Issues Across NSW

The surface and groundwater users in NSW are all faced with different circumstances and variations to their situations, which directly impacts upon their needs and the manner in which they extract water. Although it is understandable that there is a desire to try to standardise water extraction arrangements across the State, the circumstances of each area of irrigators is so different, that to try to apply a template or 'one size fits all' approach, would impose onerous costs that would undermine the production of fresh food, fibre, regional jobs and a major GDP contributor of the Australian economy. It should also be considered that the drought threatens all irrigators to varying degrees and continues to inflict financial losses that should not be exacerbated by onerous Government regulation.

Coastal Rivers

It is the position of the NSWIC, that irrigators in coastal river systems operate in quite a different manner to irrigators elsewhere. By virtue of being on the coast, they generally are able to make use of higher levels of rainfall, that results in them being infrequent extractors of water. It is not uncommon for coastal river irrigators to pump water for less than 30 days a year, and then also have to withdraw their extraction equipment to avoid floods washing it all away. It is as a result of these very different conditions that coastal river irrigators have made use of the 'Two Part Tariffs' and pay for their water based upon their use of electricity at their pumps. This method has proven to be highly accurate in accounting for water use, and overcomes the capital costs of buying and maintaining a meter that on average would measure water use for only around 8% of the year. Such infrequent use, along with the potential for maintenance/damage caused by moving it and the pump to different locations or leaving it in a shed for eleven months a year, are the reasons why coastal river irrigators have embraced alternative and cost effective methods to measure and pay for their water.

It should also be considered that there are in excess of 13,000 water licences across coastal river systems in NSW. It is also not uncommon for licensees to have more than one extraction point, thereby triggering the 'multiple works' category. Although it has been stipulated that it is only after 1 December 2023, that new or replacement meters will need to be pattern approved AS4747 meters with telemetry, a data logger, seals and have a maintenance protocol, given the unique circumstances and infrequent use of pumps by coastal river irrigators, the costs will be high and the benefits marginal, apart from for those who sell the meters.

Murray Darling Basin Rivers & Groundwater Access

The position of the NSWIC is that multiple works should not automatically require compliant meters, regardless of the capacity. Rather the key trigger should be where the overall capacity of the works is equivalent to the infrastructure size threshold. This would ensure that just because there are multiple works, high implementation costs will not automatically flow on to smaller licence holders. This would therefore reflect the far lower risk such users pose. It is also correct to question the application of these metering arrangements to very small water users, who hold licences, when the Basic Landholder Rights (BLR) licence/meter exemption arrangements, can apply for the same scale of extraction. In the case of Schedule 9 listed water sources, the same level of risk can apply to water extraction under BLR and small extraction licenced users.

Ultimately an assessment of the risk posed is essential and to that end the NSWIC supports the Lachlan Valley Water Inc (LVW) suggestion that the most accurate definition of 'at risk' would be if the water source has a rolling 5 year history of extraction greater than 70% of the WSP Long Term Average Annual Extraction Limit (LTAAEL), and it is over-allocated, or the entitlement and account rules combined can result in extraction exceeding the LTAAEL.

With regard to the time allocated for full implementation, there are thousands of works that need to be metered under this proposal, and given the current arrangements, thousands more existing meters need to be verified for their accuracy. It is urged that consideration be given to the ramifications for rushing implementation when the lack of supply or qualified accreditors could see a lack of supply drive up prices and thereby undermine business viability.

In the case of large open channel offtakes by Irrigation Infrastructure Operators, it should be recalled that their circumstances are challenged by there being no currently pattern approved meters for the volumes and open channel conditions. In this case however the meters used are independently validated regularly and recalibrated to meet standards.

With regard to data recording and telemetry, the NSWIC supports the principles for the basis of data and telemetry use. The specifics of collection and use should be analysed to ensure that the use provides effective information and that information is gained on an effective cost basis.

In the case of this not being cost effective is where multiple small capacity works have been employed by a small water user to effectively irrigate, however each would now require telemetry, which would come at a cost that could undermine the viability of the business.

NSWIC also supports the LVW recommendation that an appropriate method to record usage for water users who are subject to Clause 243B would be to install a non-pattern approved meter. This will be cheaper than a pattern approved meter, and given that this would represent 5% of total usage in NSW, the meter accuracy of within +/-10% would be at an acceptable standard.

Water Ordering

On the related matter of *Water Ordering*, it is the position of the NSWIC that on unregulated systems, flow gauges and a means to monitor water throughout the system would be a prerequisite for any effective *Water Ordering* system, otherwise it is not considered that implementation would be achieved in any meaningful way.

Overall Metering Issues

Beyond the points made on metering with regard to the challenges for coastal rivers, Murray Darling Basin Rivers and Groundwater sources of irrigation, the NSWIC urges a reconsideration of the viability of the proposal regarding meters. The AS4747 pattern approved meter, represents a cost imposition that will be passed directly onto irrigators, and such a plan appears to have little regard for the difficulties that the drought and cost pressures have already imposed upon irrigators. The NSWIC therefore urges consideration be given to in-field validation where an ISO standard meter exists. This is not to say a lower standard of accuracy is acceptable, but rather there are other ways to meet the standards required and thereby overcome limitations with acquiring AS4747 meters. In any form of risk management, consideration should be given to the costs of implementing a compliance regime versus the risk of possible losses. In this case, an attempt to standardise a compliance regime across the State potentially imposes significant compliance costs on users of inconsequential amounts of water, when there is an already existing, realistic and auditable means to monitor compliance. Shifting the cost for a 'one size fits all' compliance regime, to the private sector, may be useful for DI-Water and to achieve the favour of shallow public perceptions, but ultimately it can come at the cost of Australian jobs, and the ability to produce quality food and fibre in our own nation, rather than rely on imports where the same growing standards and health certainties may not be guaranteed.

It is emphasised that the NSWIC is not seeking blanket exemptions but rather a common-sense approach that has a realistic appreciation of the different operating conditions and requirements of irrigators across NSW.

Consistent with this viewpoint, on Page 9 of the Consultation Paper, mention is made of, "The Compliance Review suggested that metering 95% of measurable take would meet the 'no meter no pump' objective, while avoiding an undue cost burden on small users". This is a welcomed position, however Clause 231 of the draft Regulation, together with the significant number of surface and groundwater systems listed in Schedule 9, almost entirely includes all the smallest productive users of water and therefore ensures an "undue cost burden on small users". It is accurate to say that these small users, that face these cost burdens, are actually the family businesses, because the corporate, large scale irrigators are properly included within the AS4747 standard meter measures.

An alternative approach to provide a practical system that acknowledges the circumstances of small and low risk users could be:

- Acknowledgement that non-AS4747 meters can be installed and used if they meet other standards like ISO requirement (Calibration).
- Maintain the Two-Part Tariff approach for existing small users, as part of an effective risk management protocol.
- Validation of non-AS4747 requirements, including data logging rather than telemetry.
- Support the implementation and development of reasonable use guidelines.

Other Submissions from the Irrigation Sector

The NSW Water Metering Framework Consultation Paper and Draft Regulation has resulted in a strong reaction from the Sector. The other submissions from Irrigators reflect their views, based upon the realities of their specific geographic irrigation areas.

Consequently, they should be strongly considered when appraising the impact of these proposals and whether they can be realistically implemented, whilst maintaining an effective irrigation sector.

It is always important to emphasise, as has been done in the irrigation submissions, that clear and accurate communication is required to all licence holders. Irrigators are working to keep their businesses and operations viable and effective in very challenging times. Naturally they are focusing first and foremost on their businesses, therefore the NSWIC urges the DI Water, that to ensure maximum compliance and uptake, licence holders must be clearly told what, when, where, how and why.

Conclusion

The NSWIC strongly supports an effective compliance regime. Access to water must be regulated to ensure it is properly and effectively dispersed between the environment, human consumption and productive use. That being said, water use must be realistic, a narrow focus on obtaining more and more water for the environment, without a scientifically identified outcome will come at great cost. That cost will be Australian unemployment, regional ghost towns, increasing amounts of imported food and fibre, and ultimately a weaker Australian economy.

The NSW Irrigators' Council looks forward to the consideration of the Framework and Regulation to provide consideration of the impact on family businesses that pose very little risk to water management processes in NSW. Please do not hesitate to contact the CEO Luke Simpkins (ceo@nswic.org.au) to discuss this submission in more detail.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Luke Simpkins', written in a cursive style.

LUKE SIMPKINS
CEO