admin@southernriverinairrigators.com.au
PO Box 1254 Deniliquin NSW 2710

Peak body representing 2200 landholdings, annually producing $6 billion in agricultural product and supporting 25,000 jobs in the Murray Valley.

WHO ARE WE?

Southern Riverina Irrigators (SRI) represent 2000 landholdings across the Southern Riverina. Rich in diversity and producing staples including rice, crops, dairy and livestock along with numerous niche markets, our success is heavily underpinned by NSW Murray general security (NSWMGS) allocation, availability of water and cost. With irrigation ur region has the potential to produce in excess of $6 billion of agricultural product while supporting 25,000 jobs, community and the environment.

Water charges cannot continue to increase indefinitely nor can farmers continue to pay 100 per cent for their license, when in a good year they are lucky to receive 52 per cent of. There will come a point when there will be no farmers left and where does that leave our economy, the community and the environment?

Poor water policy and the Murray Basin Plan have reduced our allocation reliability has from a 20-year average of 84 per cent to 52 per cent. Financial hardship and mental health issues have skyrocketed.

We have one of the highest suicide rates in the country and over one hundred MDBA report and submissions support our claim - our region is struggling.

Wakool was once a thriving country town producing crop, dairy, rice and livestock. By October 2016 the population had been stripped in half as 34.5 per cent of productive water left the district. Dairy production has dropped from a 3.2billion litre peak to just over 1.6 billion as over 90 dairy farms have closed down in the Finley area alone and with a flow on affect into the community of around $4000 per cow the implications of this decline are enormous.

This story is repeated in towns across the Riverina. You can't draw blood from a stone.

And you can't keep taking from an area that has nothing left to give.

We do not support fee increases above CPI by the MDBA and WaterNSW in any shape of form until irrigation reliability returns to our region. Proposed charges are unwarranted, unfair and absolutely ridiculous.

ALLOCATION

As licensed, metered and basin compliant irrigators SRI would argue this makes us an easy target for predatory behaviour surrounding fees and charges as evidenced in the table below.

	FIXED Charge proposed	**Proportion fixed charge at 60% use**	**USAGE Charge proposed**	**Proportion usage charge based at 60% use**
WAMC	$1.12	41%	$2.65	59%
MDBA (WAMC related.)	$0.63	80%	$0.26	20%
WaterNSW	$0.93	37%	$2.65	63%
MDBA (WaterNSW Related)	$3.83	78%	$1.81	22%
Total charge	**$6.51**	**64%**	**$6.21**	**36%**

***Table 1**: Proposed charges to NSW Murray excluding conveyance and bulk user discounts. Note these charges are based on a 60 per cent allocation which is above current allocation reliability.*

IPART recommend water prices be maintained at 40%fixed60%usage ratio. This is clearly not the case and in the spirit of these long-held principle SRI do not support the current ratio of 64%fixed34%usgae.

During 2017-18 and 2018-19 NSWMGS irrigators faced two consecutive growing seasons with zero allocation followed by three percent and despite favourable conditions this season, we sit on 50 per cent with no chance of an increase and we still pay thousands of dollars in fees and charges annually for irrigation allocation WE DO NOT RECEIVE. Imagine driving into a petrol station, paying for a full tank and driving off with it half full. What other industry pays for a product they consistently do not receive? It is madness.

To top it off irrigators in the Murray are facing an increase in charges 50 per cent higher than those proposed for the Murrumbidgee Valley despite sharing a similar footprint which includes:

both valleys have typical usage of 1-2million ML of regulated river flows

both valleys have significant environmental assets

both valleys rely on the same dam storage space

most of the water in both valleys is used within 150km of the dam wall

structures used to regulate and manage serve flows from both rivers

Charges to NSW Murray must be in-line with those paid by Murrumbidgee.

We are also well aware some of these increased charges include covering the cost of licensing and metering in the north and yet they made no contribution to subsidising our licensing and metering costs and they have had access to free water for 27 years – while we have been paying for every single drop of water whether we receive it or not.

<u>WHERE HAS OUR LICENSED AND METERED WATER GONE?</u>

NSW and Victorian irrigators have been forced into delivering the entire volume of 1850GL to the South Australia border under the Murray Darling Agreement. Unmetered and unlicensed flood plain harvesters in the north have taken so much water from the system they have crippled Darling-River flows taking with them the average 39%, or 721,000ML contribution to the MDA. Water is being held in storage that have increased in volume by 142% from 574Gl in 1994 to 1395GL in 2020.

Huge volumes of water are flowing down the Murray River to feed the insatiable downstream demand to support unsustainable levels of permanent plantation development or to keep the estuarine lower lakes fresh to hold SA regattas. In 2017-18 600,000ML over 130 odd days was wasted in overbank flows due to the natural constraints at Barmah and Milewa and then again in 2018-19, 850,000Ml was lost over 150 days. Waste was so severe it prompted two thousand irrigators to sign up for a class action against the MDBA which is ongoing today.

Downstream development has been allowed to increase to such level it is destroying the environment upstream as large volumes of water erode the banks and one-hundred year old majestic trees fall into the river.

SYSTEM EFFICENCY

Water is delivered to our irrigators through Murray Irrigation Limited (MIL). MIL run their system with a respectable 10 percent loss while our farmers are amongst the most water efficient users in the world using best practice sustainable irrigation techniques to grow and support farming practices best suited to this climate. The MDBA run the river system with an estimated 30 percent loss and this is clearly not acceptable. Despite critical analysis IPART has recommended modest 'efficiency dividends' be sought from MDBA operations reducing costs from $123 million to $117, if we ran our business in the same manner we would be broke in no time. MDBA costs cannot continue to rise and there comes a point in time when their management and relevance must come into question. If we ran our business in the same way we would broke within months.

NRAR

NRAR is the independent regulator established to deliver effective, transparent and accountable compliance and enforcement of state natural resource management legislation, ironically it is largely funded by basin compliant irrigators including SRI.

And yet even though flood plain harvesting in the north of the state is now illegal without a license or basin compliant meter, and along with storage exceeding well over the allowed 1250GL under the basin plan, NRAR appear to be missing in action when it comes to their number one job of 'enforcement of resource management legislation'.

SRI would question the relevance of funding an organisation if it is incapable of carrying out the very duty it was established for.

FEES AND CHARGES

NSW irrigators are responsible for paying MDBA wages and operational costs while in South Australia every person who accesses water from the Murray contributes a flat rate to MDBA running expenses. Surely this is a much fairer system than continually hitting the irrigator who at the end of the day is feeding the nation and keeping the only manufacturing industry we have left in this country alive.

Both WaterNSW and MDBA must improve business management, transferring volatility of income to irrigators is simply unfair. Irrigators are the party least able to afford high fixed cost especially in consecutive years of low water availability. This also discourages department from looking at cost cutting and efficiency measures.

SUMMARY

The current increase in charges reflect a 9.6 per cent increase to MIL operations in the first year of the determination period which is of course passed on to irrigators. This increase will see the cost per ML increase from $18.28ML to $20.04 and continue to rise over consequent years. There must be a fairer system for cost structure including an introduction of a user type system where applicable charges are passed onto the public purse. Irrigators who have watched their allocation reliability decrease significantly, and who have been bought to their knees from financial stress and the mental torture of trying to farm with little or no allocation over consecutive years CANNOT continually face increasing costs to pay for a diminishing resource.

Commodities at risk include dairy, cropping and livestock – the food security of our nation is under threat.