



RENMARK IRRIGATION TRUST

Constituted by a Statute of the Parliament of South Australia 1893

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SUBMISSION: REVIEW OF ROUND ONE OF THE WATER FOR FODDER PROGRAM

Thank you for the invitation to provide a written submission on the Water for Fodder Program.

Renmark Irrigation Trust (the Trust) is Australia's oldest irrigation trust and provides water delivery and salinity drainage services to the first irrigation settlement in Australia. The Trust partners with the Commonwealth Environmental Water Holder to deliver Commonwealth environmental water through its infrastructure for the rehabilitation and maintenance of the extensive floodplains adjacent the Renmark area. The Trust represents over 600 small to medium scale irrigators that produce a wide range of high value horticultural crops, mainly from permanent plantings.

The Trust understands the despair that long droughts can bring as, during the millennium drought, irrigators in South Australia (SA) did not have sufficient water allocations to sustain their permanent plantings. Until the millennium drought, allocations against SA's high security water entitlements were always 100%. However, during the drought, allocations only reached 32% in 2007-08 and 18% in 2008-09. Many irrigators were forced out of the industry. In desperation, other irrigators leased in water at over \$1000 per ML to keep their permanent plantings alive.

SA irrigators and the State Government learnt from the millennium drought experience and have since implemented a conservative SA Water Allocation Plan that prioritises critical human needs and addresses the health of the river whilst improving water security for irrigators. This has given SA irrigators the confidence to grow high value crops within a conservative water management framework using highly efficient water delivery methods. This best practice water stewardship has been globally recognised with the Trust recently receiving certification at the highest level (platinum) from the Alliance for Water Stewardship.

Trust View of the Water for Fodder Program Round One Summary

The Trust considers the Water for Fodder Program was a reasonable response to prolonged and severe drought conditions that directly or indirectly supported farmers who were struggling to continue livestock operations due to that drought. The program has not impacted the 2019-20 water allocations for SA irrigators. Provided the need remains and those livestock farmers continue to be the main beneficiaries, the Trust supports continuation of the program. However, should SA's high security water allocations for irrigators be negatively impacted by the program in 2020-21 or beyond, the Trust would not support the program's continuation. Related matters and observations are discussed below.

Underpinning the economic, social and environmental sustainability of the Renmark Community

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Trust Views and Observations

- 1. *Program to apply in severe drought only:*** The 2019-20 zero or low allocations on NSW's general security and Victoria's low reliability water licences resulted in low water supply and high market prices for temporary water across the Murray Darling Basin in the early part of the year. The fact this program was developed in response to severe drought conditions indicates that irrigated fodder producers cannot compete with high value horticulture production in the temporary water market after a certain price point. Severe and prolonged drought produces a conundrum under the governments' water policy that treats water as a commodity in order to move water to the highest value production. Farmers desperately requiring water to produce fodder on-farm for their livestock cannot afford to buy the high priced water and fodder producers that on-sell to livestock farmers and do have water from private carryover are likely to make a greater profit by selling the water at the high prices than by using it for fodder production. The Trust believes this program should only be used if there is an urgent requirement due to severe and prolonged drought and that the program ensures the main beneficiaries are the livestock farmers most impacted by that drought. Livestock is being re-stocked in many areas following widespread rains and the Bureau of Meteorology's 2020 autumn rainfall predictions across the Murray Darling Basin are a significant improvement on last year's comparative predictions. The Trust asks the reviewers to consider if the same dire circumstances still prevail for the livestock farmers as to when the program was first introduced.
- 2. *Not to Impact South Australian irrigators' high security water allocations:*** SA's desalination plant provides a "safety net" for SA as documented in its conservative Water Allocation Plan. SA's high security irrigation water provides confidence to irrigators to invest in high value crops; the Renmark irrigation area is a good example of this investment confidence. Whilst the Water for Fodder Program did not impact SA's 2019-20 high security water allocations, there is concern this may not be the case in 2020-21. The Murray River storage dams that SA is reliant upon for its water have much lower storage levels than at the same time last year; it is possible that the desalination plant capacity may be needed to support SA's high security water allocations. SA irrigators should not need to, once again, pay prices of around \$1000 per ML to keep their permanent plantings alive when fodder producers can obtain water for \$100 per ML through this taxpayer funded program. The Trust asks the reviewers to assess if continuation of the program will have a negative impact on 2020-21 allocations on SA's high security entitlements.
- 3. *Inclusion of permanent planting cover crops:*** It is suggested that greater water efficiency may be achieved if primary producers with permanent crops were also able to access the program for the purpose of producing cover crops for fodder. Given water is already being applied to the land for the permanent plantings, a smaller volume of water would be needed to produce the same quantity of fodder than if the water is applied to land with little or no soil moisture.
- 4. *Reduction of the 50 ML water parcel:*** The program's fixed 50 ML quantity may have excluded some smaller livestock farmers from accessing the available water when they urgently required on-farm pasture production due to the drought. It is suggested 25 ML water parcels may enable a greater volume of in need livestock farmers to access the water direct rather than buying the fodder from a third party producer.

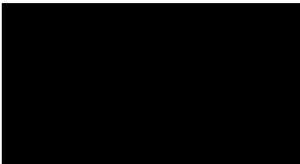
5. **Ensure future drought mitigation embedded in water resource plans:** The need for the Water for Fodder program was due to severe and prolonged drought and the zero or low allocations on low reliability and general security water licences. Evidence indicates that water allocation restrictions are likely to be more frequent in the future with average annual inflows into the Murray Darling Basin reducing due to a changing climate that is hotter and drier in south eastern Australia. The current extreme low storages in the Hume and Dartmouth dams will take significant rain and snow falls before the southern basin can return to having a secure water supply. Well thought through and conservative Water Resource Plans, including any private carryover arrangements, can assist in managing tensions caused by water scarcity and prepare the relevant community for the inevitable future periods of lower inflows and resultant reduced water allocation.

Good water stewardship is the use of water that is socially and culturally equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that includes both site and catchment based actions.

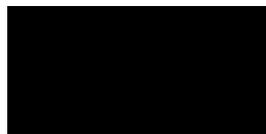
The Trust seeks that the test of good water stewardship is applied to the Water for Fodder Program through this review.

Thank you for the opportunity to provide comment and we are available to discuss any aspect of this submission.

Yours sincerely



R Humphrey Howie
Presiding Member



Rosalie Auricht
General Manager

9 April 2020