

RICE INDUSTRY STARTING POSITION:*Underpinning Assumptions Aren't Yet Complete*

- We're very concerned that both *Regional Water Strategies* have been drafted based on modelling that isn't yet finished. This makes it impossible to assess all associated risks.
- With our climate becoming more variable, it's dangerous to scope options based on incomplete data, and a single 'worst-case' scenario that the Strategies admit isn't likely to happen.
- Despite having no evidence, the RWS options assume extreme drought is the only water outcome year-on-year. Recent above-average flows are also part of future climate variability.
- Ideally, the Strategies should be withdrawn from the current public exhibition process, and revised as necessary once the underpinning modelling is actually completed.
- Revisions should be based on a more comprehensive data-set that better acknowledges the full range of wet and dry conditions that are predicted in the future.¹
- Revised RWS options should pay attention to what's needed to ensure the state's water management framework responds to water availability in real-time, which it currently doesn't do.

Incomplete RWS Assumptions Place the Future of Irrigated Agriculture at Significant Risk

- The narrow and incomplete assumptions underpinning the RWSs is driving severe and preventable conservatism in the options put forward
- As the Murray RWS in particular highlights, General Security licence-holders already disproportionately bear the burden of water security risks/changes overtime.
- Evidence in the Strategies also confirms that the current NSW framework is driving individual irrigators to be unnecessarily cautious, which is creating significant system underuse.
- Both issues will only worsen if the RWSs go ahead in their current form.

The RWSs Risk Further Polarising an Already Difficult Public Policy Space

- By taking such an extreme view, and by being fixated on embedding more conservatism into an already conservative system, the RWSs risk making existing problems worse – not better.
- The RWSs set-up a framework, and an approach, where the only options appear to be based around taking water off one user and giving it to another.
- In addition, only very limited targeted consultation took place as the RWSs were drafted, meaning only a small-set of Riverina water users had a role in shaping Strategy content.
- This is an extremely out-dated version of water management practice, and it will essentially set the Riverina up to fail under whatever future climate scenario it faces.

The RWSs Force the Rice Industry to Outline and Closely Hold To Its Non-Negotiables

- Given the uncertainties that still exist within an already deeply-flawed process, the rice industry really has no option but to hold-tight to the following non-negotiables.
- Murray and Murrumbidgee General Security licence-holders expect their property right to be protected, and restored where it has already borne disproportionate risk.
- We refuse to accept any negative change in allocation reliability resulting from any of the options being pursued under these RWSs.
- We don't support any RWS option that changes *Water Sharing Plan* content in order to take water off one user and give it to another. These must be removed from both RWSs altogether.
- The NSW allocation framework must be urgently modernised so the rice industry can fully optimise its legal access when water is available.

¹ One of the core management principles set out in the *Water Management Act 2000* (NSW; [NSW legislation - Water Management Act 2000 No 92](#), section 5(h)) is that the specific principles of adaptive management should be applied. Only looking at extreme-dry scenarios is arguably not an adaptive management approach aligned with the NSW Act. The likelihood of occurrences similar to the current wet sequence must be factored in too.

Targeted Rice Industry Consultation

- Both Strategies confirm the only user groups that got to have a say on what the focus of the RWSs should be were: local council; water utilities; NSW agencies; and Aboriginal communities.
- It's undeniable that town supplies and Aboriginal water use are fundamental components of any effective, modern, water management framework.
- However, the RWSs would undoubtedly be much better, and much more roundly representative had the time been taken to speak to all major water users in the Riverina.²
- As one of the neglected major water using groups, the rice industry would like the opportunity to provide its own thoughts on what the focus of the RWSs should be.
- As we've noted above, both RWSs should immediately be withdrawn and revised based on new and complete information.
- We think it's also fair that a broader range of water-users be given their right to have their own targeted input into this redrafting process.

Selecting Key Challenges & Identifying Priorities

- It's extremely disappointing that meeting the needs of irrigated agriculture is not recognised as a key challenge worthy of 'concentration' (Murray RWS, p. 161; Murrumbidgee RWS, p. 199).
- Given the importance of irrigated agriculture to communities across the Riverina, we believe the government is choosing to ignore this challenge at its own peril.
- We request the following key challenge be recognised and included in all future RWS drafts: *optimising water availability to meet the current and future needs of irrigated agriculture.*
- Similarly, we see the seven priorities listed early-on within both RWSs to be equally important.
- A modern, well-functioning water management framework will be capable of doing this, irrespective of future climate scenarios.
- None of the options in either RWS specifically focus on addressing this aim. Instead, the options are at risk of being subject to a very siloed assessment and implementation approach.
- This must be addressed as part of our highly-recommended redrafting process.

Limitations of Existing Water Infrastructure, Delivery and Operations

- We agree with RWS commentary that 'storage capacity, physical constraints and operational limitations' can both hinder efficient water delivery and reduce the reliability of supply.
- We argue that this is an issue impacting the Murray Valley as well as the Murrumbidgee Valley.
- We recommend that a package of options under this heading be included in the next draft of the Murray RWS.
- Within this new Murray RWS content, we also seek advice on the NSW strategy to ensure all related decisions made by Murray-Darling Basin Ministerial Council land in the state's favour.
- For the Murrumbidgee RWS, we seek involvement in all assessment and decision-making around options 33-43 going forward.

² One of the key objects of the *Water Management Act 2000* (NSW; [NSW legislation - Water Management Act 2000 No 92](#); s3(d)) is to recognise the role of the community, as a partner with government, in resolving issues relating to the management of water sources. General Security licence-holders are the largest water using group in the Riverina. They also contribute the most – economically – to the management of regional water sources by way of the fees and charges that they pay. Concerningly, the RWSs indicate these water-users will be the most impacted, and yet, they weren't deemed significant enough to warrant targeted consultation.

Existing Government Commitments; SDL Adjustment Mechanism Projects.

- General Security licence-holders expect their property rights to be protected. There should be no negative change in allocation reliability arising from either the Basin Plan or the RWSs.
- We don't support the *Reconnecting River Country: Landholder Negotiation Framework* in its current form. The Framework shouldn't be the default NSW approach to lifting constraints.
- Where constraints are lifted – with landholder support – this is for targeted environmental watering only; it is not to deliver larger volumes of consumptive water downstream.
- We don't support buy-backs. We endorse the Commonwealth's position that it won't buy-back water, and that the 450 GL won't be recovered if there's socio-economic impact.
- Many SDLAM projects won't be completed by 2024. For these projects, more time is needed, without reducing the 605 GL off-set. If there's still potential for a 605 GL shortfall, Governments must supplement existing and amended projects with new projects, drawing on Basin Officials Committee (BOC) powers to help determine an applicable method.

Current Water Sharing Arrangements Based on 120/125 Years of Data

- Our earlier comments about the unfinished and deliberately narrow basis of the RWS climate assumptions apply here as well.
- It's very hard to comment meaningfully on the options under this heading based on a single, incomplete, 'worst-case-perpetual-drought' assumption about our climate future.
- Rice industry climate-preparedness is based on the ability to maximise water-use when it's wet, and have transparency, clarity and reliability around access when it's dry.
- As noted, we don't accept any negative change in allocation reliability or any starting principle that risks will lie disproportionately with NSW General Security licence holders.
- We strongly request that all options considered under this heading take the above into account.
- Given the risks inherent in all options put forward under this heading, we expect to be involved in all related decision-making going forward.

Insufficiently Integrated Land and Water Planning and Management

- We support the intent of this heading, which we read as to 'improve the efficient and effective use of water', and 'ensure water resources are protected'.
- Under this heading, we are seeking future involvement in options 14 and 15 from the Murray RWS, and options 14 and 16 from the Murrumbidgee RWS.
- For the option looking at land use change and population growth impacts, we believe the current scope is too narrow.
- The Riverina is inextricably linked to the remainder of the southern Murray-Darling Basin in particular.
- Work under this option must take into account cross-border issues around land use change, in order to better protect water resources for all users in southern NSW.
- The option related to the Snowy Water Licence Review should be revised, based on our earlier comments about inaccuracies around the current RWS climate assumptions.
- The current option also appears to give no consideration to the importance of the Snowy Scheme to Riverina irrigators.
- A revised version of this option should take into account how to optimise irrigated agriculture across the Riverina, and how to protect entitlement security as part of this.

Degradation of Riverine and Floodplain Ecosystems

- After 10 years of Basin Plan implementation, it's hard to understand why the RWSs have approached this topic as though no actual work has been done to date.
- In particular, suggesting there's a pressing need for a river and catchment recovery program in both Valleys implies that the past 20 years of national reform efforts have essentially failed.
- We're particularly concerned by option 32 in the Murray RWS, and option 30 in the Murrumbidgee RWS.
- These options imply that the flawed and incomplete RWS climate assumptions will be used to lock-up additional water to meet unspecified, future, environmental 'needs'.
- As noted previously, we don't support any RWS option that changes *Water Sharing Plan* content in order to take water off one user and give it to another.
- These options must be removed from both RWSs altogether.

Limits to Water Availability in Times of a Changing Climate

- Any options under this heading must be based on a completed modelling/data package that appropriately acknowledges that a range of wet and dry conditions are predicted in the future.
- As noted, we also do not accept any negative change in allocation reliability, or any starting principle that risks will lie disproportionately with NSW General Security licence holders.
- In addition, we don't support options that change *Water Sharing Plan* content in order to take water off one user and give it to another.
- For the Murray RWS, we require close involvement in all decision-making around options 35, 37, 39, 40 and 43.
- For the Murrumbidgee RWS, we require close involvement in all decision-making around options 44, 46, 48, 49 and 52.

Suggested Additional Options

- One of the biggest risks for the Riverina is completion of the Murray-Darling Basin Plan in mid-2024. We need a NSW forward strategy that shows how related impacts will be addressed.
- A significant amount of cross-border work is already underway under the auspices of the *Murray-Darling Basin Agreement*. A similar, NSW-focussed strategy is needed here too.
- Coming out of a record wet year, and heading into another year of above-average flows, we need dedicated options aimed at optimising access to this water for all system users.³

Going Forward

- We agree with commentary in the Lachlan RWS 'What We Heard' Document that all draft options should undergo a *Reliability Impact Assessment*.
- We recommend that this also be supported by full-costings that clearly articulate the likely future price impact for all licence-holders.
- Stakeholder trust has been significantly eroded due to the way the RWS process has rolled-out to date. A better, more comprehensive engagement strategy is urgently needed.

³ Supplementary events on the NSW Murray have extended well into May 2022 ([Microsoft Word - 17-05-22 Murray Supplementary Access 17 May 2022 \(waternsw.com.au\)](#)). Access to these flows is limited under the Murray's current *Water Sharing Plan*. Opportunities to allow for increased access under these conditions, up to long-term average extraction limits, should be explored and implemented as a matter of urgency.