

Date: 5 May 2008

Update on SRI Water Reform Principles.

Dear irrigator

Over the last few months the NSW and Commonwealth Governments have been actively buying water for the environment via a tender process. This action along with the on going drought has created great uncertainty in our community.

With these concerns in mind, SRI have put together a number of principles and recommendations that we are using to help guide lobbying and discussions with government, MIL and other organisations that have an interest in our water.

SRI recently met with Senator Penny Wong and her water advisors, they were given a draft copy of the SRI principles and written questions detailing our concerns to assist with their understanding of our important issues.

Please find a copy of the SRI principles and recommendations for your information below. The document has deliberately been kept brief for quick and easy reference, and will remain in draft form until we are confident all water reform issues are covered.

SRI would welcome any feedback you may have towards the paper. Please contact either your local landholder representative, SRI CEO Jenny Hehir or myself.

Yours sincerely



Ted Hatty

Draft Only SRI Water Reform Principles

Introduction:

Southern Riverina Irrigators (SRI) are a not-for-profit organisation which represents 1600 irrigation businesses in the Southern Riverina between Berrigan and Swan Hill. The regions water is sourced from the Murray River via the Mulwala Canal.

Water reform process:

Water management and reform requires the involvement of irrigators and their communities within all jurisdictions. It also requires recognition of the adjustments and contributions by irrigators via reduced consumptive use that has already been made such as the introduction of the 1996 MDBC Cap on surface water diversion, establishment of a Barmah Millewa water allocation and the Water Sharing Plan within the NSW Murray region.

The starting point for the reform process is recognition of the Water Sharing Plans, property rights and the allocation process. It is important the full range of water efficiency savings is considered. It is essential that only the options which are consistent with principles listed below are fully implemented.

Overall Aim:

To Improve: Water use efficiency
 Regional economic outputs
 Regional natural resource management
 Riverine environmental health
 Confidence in irrigated agriculture

In relation to water acquisitions the following principles must be applied:

1. The security of the existing property right must be retained.
2. Water is obtained only from willing participants with no negative third party impacts.
3. The priority of water recovery should be through the use of incentives such as efficiency programs both on and off farm with a secondary focus on agreed market based mechanisms.
4. Any methods used to determine water savings or environmental needs must stand up to peer review.
5. Water reform must be applied and implemented in an even, consistent and transparent manner across the Murray Darling Basin.
6. Water obtained for the environment must retain its original characteristics and must not involve special treatment or Cap adjustment.
7. Existing allocation processes in NSW that have been designed to maximise water availability in a timely manner must be retained.
8. The existing Water Sharing Plans must be retained until their completion in 2014 and any changes that are made to the replacement of the Water Sharing Plans must be consistent with current NWI risk assignment conditions.

Recommendations

Government should increase research and development funding for water use efficiencies on farm and broaden farm enterprise options.

The Commonwealth Environmental Water Holder ought to make environmental water available to irrigators via the market at times when it is not required for environmental purposes.

Water trade rules must reflect the physical aspects of the trade eg: system losses and natural constraints.

In recognition that water acquired from licence holders above the Barmah Choke cannot be transferred below the Choke for use due to river capacity constraints, Government must recover water from all connected systems and associated tributaries for efficient and targeted environmental use downstream of the Barmah Millewa Forest.

Government needs to continue to investigate increasing the capacity of current water storages with improved management including the possibility of new water storages which would improve water availability and security.

Contact details:

Ted Hatty, SRI Chairman: 0409 839 206
Jennie Hehir, SRI CEO: 0428 832 357