CANEGROWERS

100 Edward Street (GPO Box 1032)
BRISBANE QLD 4001
T: 07 3864 6444 F: 07 3864 6429
info@canegrowers.com.au
www.canegrowers.com.au

28 August 2020

National Water Reform 2020
Productivity Commission
Locked Bag 2, Collins St East
Melbourne VIC 8003, Australia

Sent via email: water.reform.2020@pc.gov.au

Dear Sir / Madam

Re: Submission to 2020 Productivity Commission National Water Reform Inquiry

CANEGROWERS welcomes the opportunity to provide a submission to the 2020 Productivity Commission National Water Reform Issues Paper.

Representing around 75 per cent of Australia's sugarcane growers, CANEGROWERS is the peak body for the sugarcane industry in Australia. The Queensland sugar industry relies heavily on irrigation. The cost of the electricity used in that task is threatening the international competitiveness of farmers in our industry and in other agricultural industries across the state.

CANEGROWERS is also an active member of National Farmers' Federation (NFF) and endorses the points raised in the NFF response to the Commission's issues paper.

In this submission CANEGROWERS focuses on metering, measurement and reporting issues.

CANEGROWERS recommends that the Productivity Commission recommends Australia's national water policy framework be amended to ensure that it:

- ***takes full account of the diversity in Australia's climate zones and the different water management issues in each to ensure the benefits of the policy framework outweigh the costs of compliance;***
- ***does not burden irrigators with costs associated with the delivery of public benefits;***
- ***enhances the productivity and international competitiveness of Australia's intensive agricultural industries.***

CANEGROWERS supports the agreement reached by National Water Initiative (NWI) signatories that there be adequate measurement, monitoring and reporting systems in place in all jurisdictions to support public and investor confidence in the amount of water being traded and extracted for consumptive use and recovered and managed for environmental and other public benefit outcomes (NWI, paragraph 80). We note that this does not require a one size fits all approach to water metering and monitoring.

The NWI had its genesis in addressing the high priority need to deal with the management challenges of water use and declining flows in the Murray Darling Basin (MDB). While the MDB may be Australia's most important region for irrigated agriculture, it is not Australia's only irrigated agricultural region.

Australia is a large country with many different climate zones and many different irrigation water use profiles. The needs of Queensland's coastal irrigation zones are clearly different to those of western Queensland and the wider MDB. Even in the coastal zone, water use patterns in the wet tropics are very different to those of the dry tropics and southern Queensland. Similarly, irrigators in the dynamic water harvesting systems of western Queensland capture and use water in different ways to those in the static coastal schemes where water is held behind dams or weirs and annual allocations made to irrigators with scheduled release patterns.

The National Water Initiative (NWI) has provided an important and enduring framework which has advanced water reform in Australia since its inception. The NWI review provides the opportunity to build on what has been achieved and to recognise shortcomings, especially in the area of water metering.

CANEGROWERS understands the need for metering in areas of the state and in irrigation schemes in which water is a scarce resource. However, water is not a scarce resource in all areas.

In the wet tropics, unlike the MDB, there is usually ample water. Managing the flow of water across farms is the norm. Even so, in this zone many farmers have bores to supplement their water requirements. Many of these bores are rarely used and when they are, minimal amounts of water are drawn. In these situations, the installation of meters and especially any requirement for meters to have telemetry would be redundant with the resulting benefit from both farm and wider national water management perspectives likely to be significantly less than the additional costs.

In other regions, such as Queensland's Coastal Burnett Groundwater Management Area where bores have been and are well monitored by the State Government, there appears little value in adding another layer of monitoring.

In each situation, additional metering would add costs to farm operations without delivering either efficiency gains on farm or environment benefits. In short, the gains will not outweigh the added costs and the industry's international competitiveness would be diminished.

It is important that the Productivity Commission takes account of the fact that Australia is a continent with many different climate zones and many different irrigation water use profiles and of the likely regional economic consequences its recommendations. In the case of water measurement and monitoring, because one size does not fit all, governments must have appropriate governance frameworks in place to ensure scheme-specific local knowledge is integrated into decision-making processes.

Should you require any further information please contact Warren Males, Head-Economics,

Your faithfully

Dan Galligan
Chief Executive Officer