



RIVERINA AND MURRAY JOINT ORGANISATION

National Water Reform 2020
Productivity Commission
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RAMJO SUBMISSION TO THE PRODUCTIVITY COMMISSION'S ISSUE PAPER ON NATIONAL WATER REFORM

To whom it may concern,

The Riverina and Murray Joint Organisation (RAMJO) welcomes the opportunity to provide feedback to the Productivity Commission's Issue Paper on National Water Reform.

We acknowledge the complexity of water management in the Basin, and see that complexity as one of the main drivers of the diversity of views on how it should be managed. In the face of such multi-faceted, often competing sets of objectives and obligations, it is perhaps not surprising that stakeholders frequently revert to narrow advocacy platforms reflecting regional and/or industry interests. Our organisation aims to bring a holistic approach across the Basin and all categories of water use when advocating for the future of water in Australia.

As stated in the background of the Issues paper, "reform of the water sector has been ongoing over several decades, reflecting the fundamental importance of water to our economy and the significant challenges involved in managing a shared natural resource often impacted by periods of scarcity."

We understand that the Inquiry into the reform of Australia's water resources sector will fulfil the statutory requirement for the second of the Commission's triennial assessments as required by section 88 of *The Water Act 2007*.

WHO

RAMJO, as a collection of Local Government bodies in the Riverina Murray region, have a strong interest in water management policy and maintain a role in advocating for our communities. We are a region established from high levels of agricultural productivity, stemming from both dryland farming and irrigated agriculture, and the manufacturing, logistics and other value-add industries that support produce from our region.

That being said, we recognise that water is a precious commodity and a critical element to life. We accept that the demand for current and future water availability continues to divide communities, States and the Nation. For that reason, we as a group have worked towards developing a RAMJO Water Position Paper. We have attached the Executive Summary for consideration (Attachment A) and a full copy of the paper can be found on our website at: <https://ramjo.nsw.gov.au/strategic-regional-priorities/water-security/>

There are several areas of the paper which are of interest to RAMJO, namely areas of water entitlements and planning, water markets and trading, water accounting and compliance, environmental water management water services and investment into new water infrastructure. A detailed response to these points can be found in our RAMJO Water Position paper, where we attempt to provide a holistic view of the step changes we'd like to see in water management and the acknowledgement that water availability will continue to impact our country.



As a nation, we will need to find ways to be solution focussed while providing evidence based input into areas of water policy and the water market which are not operating as intended, or possibly not to their full potential.

CONTRIBUTION

The RAMJO Water Position Paper identifies 8 key recommendations, with significant overlaps relating to the focus areas of your paper, including:

- water entitlements and planning
- water markets and trading
- water accounting and compliance
- environmental water management water services
- investment into new water infrastructure

They key recommendations of our paper include:

RAMJO Recommendation 1 – Water Market

RAMJO recommends a comprehensive review of the water market, which could include (but not be limited to): ownership, water security, capturing true costs of water transfers, telemetric reporting, and floodplain harvesting. Regulatory reform across multiple areas is necessary to ensure a nation-wide plan goes hand in hand with an efficient water market.

RAMJO Recommendation 2 – Impact of Water Prices on Agricultural Diversity and Security

2a) RAMJO recommends that no one industry should be specifically protected. However, resources should be made available to develop an integrated and coordinated Agricultural Plan for the Murray Darling Basin (incorporating Valley Irrigation Plans) with a view to encouraging innovation, adaptation and an appropriate balance between permanent plantings and annual crops. The outcome of the plan should be to optimise productive yields, water use and economic return to communities and the nation. (Recommendation 8 expands further on innovation).

2b) RAMJO recommends supporting all agricultural and horticultural industries as diversification of domestically grown produce is important for the sovereignty of our nation. We recommend that by placing equal importance on resources for our region's ability to provide sustenance for an increasing population, and implementing protections against potential pest and disease that could decimate one or more of our industry sectors, we will be able to continue to play our part in Australia's food security.

2c) RAMJO recommends that government develops criteria and mechanisms to enable flexible short-term emergency water management provisions where critical situations (e.g. drought, disease, pandemic) could result in major job losses, industry viability or national food security issues. (Recommendation 6 expands further on drought).

RAMJO Recommendation 3 – Environmental Flows

3a) RAMJO recommends that the suite of measures including stakeholder communication, spill event efficiencies, dilution flow reviews, loss reduction mechanisms, and optimising the delivery of water requirements be pursued to increase the current availability of water, and recognise unrealised gains as it relates to water availability.



3b) RAMJO further recommends that the recommendations related to improving reporting and communications by all regulatory bodies including Murray Darling Basin Authority, Commonwealth Environmental Water Holder, Department of Agriculture and Water Resources and Basin States from the 2019 'Basin Plan Monitoring, Evaluation and Reporting Capability Assessment' should be implemented.

RAMJO Recommendation 4 – Infrastructure – Now and the Future

RAMJO recommends the federal government undertakes to create a Sovereign Wealth Fund, complemented with a long-term plan incorporating a national approach to water infrastructure investment and with a view to sustaining our nation across all environmental, social and economic sectors now and for decades to come.

Note - This could be done in part via a review of unspent funding already allocated for delivering requirements of The Plan, and an assessment of future investment requirements into the Murray Darling Basin infrastructure to better 'drought proof' and 'future proof' our nation.

RAMJO Recommendation 5 – Conveyance Water and Losses

RAMJO recommends a critical review of the accountability of conveyance losses including capturing true costs of buyer and seller trades, and intra/inter valley delivery costs, and below Barmah Choke infrastructure impacts. Evaporation mitigation and seepage reduction initiatives should be explored.

RAMJO Recommendation 6 – Drought

RAMJO recommends that the federal government, in collaboration with the states, leads the development of a comprehensive National Adverse Events Management Plan (incorporating a Drought Management Plan for the Murray Darling Basin) to plan for, mitigate and manage impacts to the food bowl. This should include forecast risks such as a changing climate, reduced flows and unanticipated events that impact food security and local employment. Agreed actions in the plan should be resourced through a permanent fund (Sovereign Wealth Fund) and should facilitate relief and foster agricultural innovation.

RAMJO Recommendation 7 – Climate Change

RAMJO recommends that the federal government leads an evaluation of the impact of climate change on Basin inflows and losses to determine the feasibility of infrastructure and other interventions to stabilise and, if possible, enhance inflows and storage capacity into the Basin in the face of predicted future water scarcity.

RAMJO Recommendation 8 – Agricultural Adaptation – Investment and Research

8a) RAMJO recommends that a Sovereign Wealth Fund be created to provide a permanent source of funding for drought relief, infrastructure development, system maintenance and adaptation.

8b) RAMJO in addition recommends that changes in both the superannuation and financial sectors are made to encourage investment into the Australian agricultural sector to ensure its future success and ability to remain globally competitive.

8c) RAMJO recommends that, with support from the Federal Minister, an interested NSW Government Organisation be nominated by the NSW Minister for Agriculture to partner with RAMJO and a regionally based NSW University within our region to collaborate on an application for a major Australian Research Council 'Centre of Excellence' grant.

8d) RAMJO in addition recommends, as part of this collaboration that Innovation Hubs be introduced into our region as a cooperative model of research, innovation and investment for the future sustainability of Australian agriculture.

Please review our paper for more detailed considerations of these matters. Please do not hesitate to contact RAMJO should you require any further information.

Kind regards,

Cr. Chris Bilkey

CHAIR RAMJO Water Sub Committee

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Ms Bridgett Leopold

RAMJO Executive Officer