

Riverland Horticultural Reference Forum

Recommendations arising from the meeting held at the
Loxton Hotel
Thursday 5th June 2008

Background:

In response to the issues paper dealing with allocations of water under drought conditions the Riverland Horticultural Reference Forum (RHRF) proposes the following recommendations.

The RHRF recognises the need to address water requirements for Critical Human Needs, followed by permanent plantings, industry and the environment and consequently these should be given priority. It is viewed that environmental water is accounted for through the Living Murray and other programs.

Following the securing of water for Critical Human Needs and when allocations are still below 40%, priority for water should then be allocated to both irrigators and industry to protect permanent plantings, significant infrastructure and value adding enterprises.

NB. Please note that Industry is broad in its connotations. Industry per se will cover everything from winery and abattoir wash down to motel showers. This group suggests that "Industry" water users have the same rigour applied to water allocation measures as other users.

Irrigators have borrowed and spent more than \$200m during the last 2 years of water restrictions on purchasing temporary water and upgrading irrigation systems. 10% of permanent plantings have already been turned off and irrigators now have a lack of capacity to continue to purchase temporary water for next season.

The following suggestions deal specifically with irrigator's requirements.

Irrigation

The RHRF believe that there are two main scenarios for utilising irrigation water and that priority should be given to permanent plantings.

Water for survival of plantings only;

This will result in no production and consequently no income generated and distributed within the community. Following the severity of season 2007/2008, the RHRF has calculated an allocation figure of 40 % (that is, a total of approximately 230GL with S.A.'s carryover volume taken into account) to maintain survival of crops.

Below this level, significant justification exists for the Federal Government to urgently act to take effective control of the MDB. This should be the point where there is full and accurate measurement of MDB water yields, transparent accountability, and equitable distribution of total Catchment water.

Riverland community survival;

For the Riverland communities to survive in the short term it is agreed that to achieve this, an overall allocation of 70% (that is, a total of approximately 400GL with S.A.'s carryover volume taken into account) will be required to ensure limited production and some flow-on effects to assist the operation of the business community.

Recommendations

- Our State Government needs to intensify discussions with MDB stakeholders and challenge the existing arrangements. South Australia urgently needs an improved share of the available resource. Regional economies and communities along the River in South Australia are in acute need of water to survive as is the environment with a deadline of October 2008 outlined in the *Communiqué of the Murray Darling Basin; Ministerial Council (Meeting 45) 23rd May 2008*.
- The members of the RHRF suggest the same allocations and restrictions be given to both irrigators and industry, we do not believe irrigators should be required to bear the entire burden of the current drought and that agriculturalists/horticulturalists and industry be treated as one. In season, 2006/2007 industry, (SA Water users and water users with direct access to the River Murray) used a total of 22.5GL. Under this volume, there would be an additional 3% (assuming 32% allocation for industry) available to irrigators which may not sound much but would help immensely.
- **Added opportunity for buy-back & Exit Packages**
In recognition of the need to reduce the likelihood of uneconomic watering of plantings due to market pressures the RHRF suggests the South Australian Government take leadership by negotiation with the federal government and implement a more attractive water buy-back scheme to encourage irrigators wishing to exit the horticultural industry and allow more water to be allocated to viable horticulturalists and the environment. It is suggested that a price of \$4,000 per mega litre be offered over a three month period to allow for minimum distortion of the water market and with no option for those selling to re-purchase the water within 12 months. It is envisaged the buy-back of the water would result in 50% made available for the environment and 50% made available to the water market for temporary or permanent water trade.
- **Rules;**
The RHRF request clarification on the rules to be used for season 2008/2009 and how they may or may not differ from the 3L/3I Rules of 2007/2008. Furthermore, throughout season 2008/2009 it is paramount that priority is given to the transparency of the governmental decision making process, the “numbers” available to them and the delivery of communications to the irrigation communities. In particular, every attempt needs to be made to communicate early predictions of water allocations.
- **Weir pool resource**
If less than 40% allocation is available the RHRF suggests that extraction from the weir pool be considered.

Kevin Pfeiffer

Chair; Riverland Horticultural Reference Forum