



Northern Territory Horticultural Association

15 Coolalinga Village, Stuart Highway
Po Box 2207 Palmerston NT 0831
Ph 08 89 83 3233 Fax 08 89 83 3244
Email ntha@ntha.com.au

Andrew Dowling
Water Study
Productivity Commission
Locked Bag 2, Collins Street
East Melbourne, VIC 8003.

Dear Mr Dowling,

Re: Rural Water Use and the Environment: The role of market mechanisms

In reviewing the Productivity Commission issues paper; Rural Water Use and the Environment: The role of market mechanisms, it must be noted that the NTHA does not have detailed knowledge to make specific recommendations or valid comment on some items discussed in the issues paper. Not with standing, we provide the following comments:

In comparison with other regions the Northern Territory is in early stages of development and the majority of water extractions are currently not measured, subsequently the current knowledge base about regional water use is insufficient (and inaccurate) and accurate data on water use is not available.

Equally unknown is the relationship between groundwater aquifers and river flow and replenishment. The limited amount of data that is available on water use has proven to be inaccurate and in the regions here there is currently much uncertainty whether the land can sustain existing water allocations.

In 2005, the community of Katherine conducted an independent study on water use in the region. The figures indicated that water consumption was significantly higher than the NT Government figures. The Northern Territory Government acknowledges that it has inaccurate data on water use and insufficient scientific information on groundwater dependent ecosystems.

Although consistent monitoring is recognised as a priority by the industry, measuring efficiency and investing in more efficient technologies is impeded by profitability pressures and lack of resources.

Critical scientific data has predominately been collated under funded research projects and is fragmented due to inconsistent investment and change in political priorities.

At current levels of development, water supplies in the Northern Territory are generally considered plentiful relative to demand. As a result, there is little, if any, demand for water trading and there has been no trade in licensed water entitlements.

The Northern Territory has agreed in principle with Western Australia for that state's water trading arrangements to apply throughout the Northern Territory sector of stage 2 of the Ord Irrigation Project, there are no other water systems that are shared with other states so there are no other regions that interstate trading could take place

Water trading is a relatively new concept in the NT and it is not clear how it would work in specific regions. CSIRO is undertaking research to better understand water users' own decisions about water use and how water trading might impact on economic, social and environmental outcomes. The aim is to better understand the consequences of water trading in the NT context, including especially the concerns and interests of growers.

NT growers in Katherine and Darwin are currently participating in these workshops.

If you would like to discuss this, please do not hesitate to contact me on 89 83 3233 or mobile 0419 901554.

I would appreciate it if we could be kept up to date with communicates on this item.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Tom Harris', with a stylized flourish at the end.

Tom Harris

President

Northern Territory Horticultural Association.