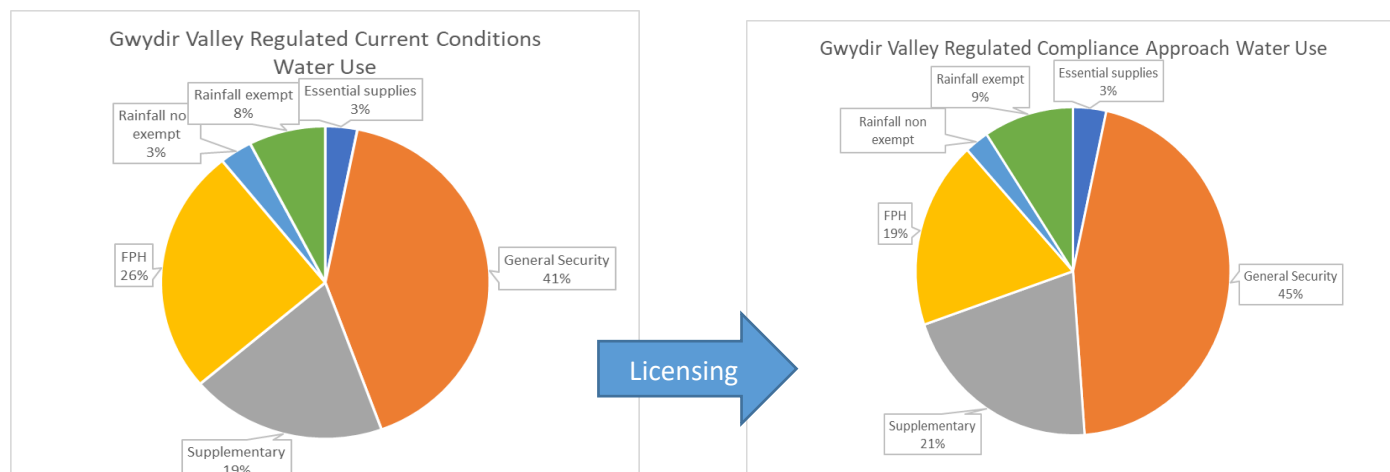


## Proposed Floodplain Harvesting Licencing in the Gwydir Valley

Water is the lifeblood of this community, as it is many communities. Floodplain harvesting (FPH) which involves the take of water spilling from rivers and creeks onto the floodplain during a flood, is one of many important sources of water. FPH makes up to 30% of our total water usage<sup>1</sup> with all diversions less than a third total available gauged flows.

NSW's proposed reforms will return all water diversions in the Gwydir Valley to legal limits, reducing floodplain harvesting to 23% of total valley diversions. The volumetric reduction is comparable to the Basin Plan, this reform had devastating socio-economic impacts in our region but also provided water for our rivers and wetlands this last drought.



Source: DPIEW, modelling outcomes and scenario reports. NB: Graphs represent long-term diversion portion of system flows only.

### Why does it need to be licensed?

- Legal limits described in NSW and Commonwealth legislation **must** be recognised and managed.
- Reduced water for irrigation will have a direct flow on to the community with an estimated **on average loss of \$92M<sup>2</sup> of economic activity** transferred to environmental benefits within our own valley.
- Less diversions will lead to a **13% increase in mean annual flood volumes** largely within the valley as the Gwydir historically is a closed system with limited river connectivity and floodwater remains in our wetlands.
- The internationally important **Gwydir Wetlands** are expected to significantly benefit with modelled environmental water needs for native vegetation, native fish and waterbirds being met more often by an average of 82%, 97% and 142% respectively.
- Contrary to opinion, modelling indicates if you removed floodplain harvesting entirely you **would not** impact Lower Darling or southern allocations by any more than 1%<sup>3</sup>.

### How is licencing designed to reduce take to within legal limits?

- Unit shares for floodplain harvesting of **108,000 are 21.5% lower** than the **current long-term current take volumes**<sup>1</sup>. Water made available to the shares can be adjusted annually via water determinations.
- Shares equate to **20% of the total on-farm storage** in the valley. To fill these storages in a flood, a water user needs to accrue water and not access FPH for five years or must utilise their other forms of take, all of which are also limited.
- Even if water user's carryover up to their maximum 500% accrued over five-years, total licensed take is **27% smaller than the current maximum volume** modelled to be accessed during a wet sequence.

If licenses existed for the next flood, take would be **50-70%** of what was estimated in March 2021 because of **new account limits**. Even with transitional account balances using a modelled starting volume, the average reduction of water that could be taken is **22%**.

<sup>1</sup> Current conditions model outcomes from March 2021 combined FPH and non-exempt RR.

<sup>2</sup> Calculated from the average volume being reduced by the opportunity cost to the community per foregone ML which is \$1742/ML (\$800/ML farm gate times 2.178 ABS community multiplier).

<sup>3</sup> DPIEW Submission into Select Committee Inquiry into Floodplain Harvesting.

Licensing will not be without its challenges as previous reforms tell like the Basin Plan tell us. Decisions on how this environmental and compliance reform is implemented, can help to offset these impacts.

### Snapshot of Basin Plan's Impact on Employment

- At least 200 full time job losses because of water recovery, with less families, fewer children and diminishing services.
- 14% decrease in Shire population means fewer services for everyone.



"A 19% reduction in school aged children matches the 17% drop in education employment"

Census data 2001-2011 Moree Plains Shire region

### Value of Agricultural Production in MPSC and irrigation

- MPSC produced approximately 8% of NSW's Gross Domestic Product valued at \$911 million in 2011.
- This is worth \$2 billion to the community (ABS multiplier).
- In 2011 72% of Agricultural production came for the 10% of irrigated land but cropping isn't our only industry it forms an integral part of our circular economy.
- Buy-backs reduced the irrigated area by 9% in Moree and 80% in Collarenebri – as a result the region's production peak is 25% lower and there is less water available to recover between low-water years. Meaning floods are even more important now.



Moree in flood in March 2021 – Photo: Sascha Estens

### Ways to mitigate impacts on industry and dependent communities in transitioning to this reform:

Governments can make decisions on how to implement this policy and balance all objectives of the Water Management Act. They should ensure what is legally available can be used as efficiently and effectively as possible.

- Independently assess and report on the socio-economic impact of the reform and consider strategies to prepare communities and ensure opportunities to maximise water use efficiency.
- Provide account rule transition to reflect the conditions at the time and estimate likely account water.
- Allow a permanent trading framework that enables water to move to where it is valued most. This will allow individuals to improve their certainty by buying another's water users license, to ensure efficient use of our limited water resources.

## WHY SUPPORT LICENSING?

**Done right**, licensing provides certainty and consistency in water management for our industry, our community and others who also rely on floods and river flows, as well as the environment. Licensing makes it accountable, measurable, and manageable like all other forms of water used by the industry. This means everyone can have confidence that they can receive their fair share, no more, or no less. This provides intangible benefits for industry and communities is **certainty and confidence**.

**Done wrong**, it undermines confidence in agriculture and communities. It can extend droughts, as we miss the chance to access water in a flood when it is most abundant.

**Without it all together**, we will erode the property rights of other users to offset the unmanaged form of take which is occurring in the Gwydir now with 50% reductions in supplementary available water. This will not result in the same environmental benefits, proposed from licensing FPH. Mistrust and misinformation will continue to thrive which undermines good decision making. Meaning we will continue to avoid a range of other important issues, like drought management, town water supply and allocation transparency and cultural water objectives, whose cause is currently being claimed to be floodplain harvesting take.