



Riverina
WINE GRAPES
MARKETING BOARD

**Riverina
Wine Grapes Marketing Board**

**Submission
to the**

**Senate Standing Committees on Environment and
Communications**

**Inquiry into Water Amendment (Water for the Environment
Special Account) Bill 2012**

November 2012

Introduction

The Wine Grapes Marketing Board “Board” is a New South Wales Statutory Authority representing 380 independent wine grape producers based in the Riverina region and encompassing the City of Griffith and the Local Government Areas of Leeton, Carrathool and Murrumbidgee.

The Board is constituted in accordance with the *NSW Agricultural Industry Service Act 1998* and it provides industry services as prescribed in the *Agricultural Industry Services Regulation 2009*. These services cover the representative of growers in relation to their productive needs.

Wine grape production in the region is one hundred percent (100%) irrigation based through water delivered by bulk water licence holders and supply companies, Murrumbidgee Irrigation and Coleambally Irrigation, Ground Water aquifers, River pumping from the Murrumbidgee and the Lachlan Rivers at Hillston.

Regional production of wine grapes is based on an area of close to 23,000 hectares producing close to 300,000 tonnes of wine grapes annually that are processed locally into wine for export markets and domestic consumption. The region produces close to 15% of Australia’s wine grape production.

The Board welcomes the opportunity to provide a submission to this inquiry.

Terms of Reference

The terms of reference are the text of the Bill, the Explanatory Memorandum and the Minister’s second reading speech.

Response to the Bill

It is concerning that the current *Water Act* requires amendment when it has not even finalised the outcomes as set out in it. By seeking to amend the *Act* the Government appears to have been influenced by other interests and until it has resolved the current Murray Darling Basin Plan it should not be seeking to amend it further to obtain more water than was being recommended by the Murray Darling Basin Authority which has already conducted millions of dollars worth of research to derive at a figure of 2,750GL.

To pursue more water without adequate public scrutiny of the SDL Adjustment Mechanism being allowed is a departure from proper governance. Interest groups, communities, business and state and territory government have not even be afforded the opportunity to review the environmental watering plans that underpin the basis of the entire plan.

The Bill refers to protecting and restoring the environmental assets and dependant biodiversity of the Basin. There is no evidence to support that this can be achieved with the funding provision allowed when the announcements refer to \$200 million to counter existing system constraints. State and Territory Ministers to our knowledge have not be privy to the extensive list of relaxed constraints that have enabled a potential increase in the level of take.

The system constraints are bridges, roads, private access ways to property, private and public lands, buildings and homes that will be flooded if increased releases for environmental purposes are made. The Minister's advises in his second reading speech that the intent of the amendment to ensure that it is "impact neutral". It is quite obvious to say that any further take will have an impact and unless adequate protection is provided to communities within the Basin the socio-economic fabric of these once vibrant communities could be devastated akin to a drought scenario with some irrigation systems needing to be closed entirely through this process.

Why 3,200GL?

The MDBA undertook modelling at the tacit agreement of State Water Ministers of an increase in the SDL to 3,200GL and to achieve this figure the modelling was done with no constraints. Communities believed that this decision was a waste of funds as the possibility of delivery of more water into the system would not be feasible. River communities should now be concerned that higher flow rates than the system is capable of handling will impact negatively on economies.

While the modelled environmental benefits from the higher flow (3,200GL) appear to be the trigger for further expenditure the modelling did not provide accurate forecasts of the current or future costs of reconfiguring system constraints, this should be considered by Government and all stakeholders as the current amendments are not in line with the thinking of many stakeholders within the Basin. Further take will impact on the productive capability of Australia and will have national economic impacts.

Prepared by



Brian Simpson
Chief Executive Officer
Wine Grapes Marketing Board
182 Yambil Street GRIFFITH NSW 2680 p: 02 6962 3944 m: 0438 388 828