

From: Tom Martin
To: [Water Inquiry](#)
Subject: water market
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Dear Commissioners,

I was unable to be present at your Renmark hearing last Friday 8th November 2019, and am grateful for the opportunity to submit my responses, most of which I hope address issues raised in your paper.

Water Owners not owning land:

- I have been an irrigator in the Riverland since 1978, retired from growing almonds in 2017 – we passed our orchard to our sons in 2005.
- We remain investors in a large orchard near Loxton – part of our superannuation now.
- In 2015 we sold another investment orchard (we owned about 5% of it) plus another smaller orchard in Renmark that my wife & I owned and operated for my two brothers and their wives.
 - In both sales the new owners did not want to acquire the water rights related to each orchard.
 - We retained the ownership of the water and lease it to those two properties.
 - The separation of water from land in the late 90's has allowed the value of water to increase as it moves from crops where only low returns per ML are possible to crops that can support the higher capital cost of water.
 - I see no difference between an irrigator leasing a ML of water or a tractor. Its management making decisions about where to use available capital – no different to any other business.
- However it is my impression that water brokers talk up the price for water to attract more players/investor to the market at the expense of irrigators. This seems most evident in July when hype seems to excite the market before any discernible seasonal facts are known.
 - I suspect that customers will become more wily over time – but raise the matter in case it is on others minds and there is an idea to assist buyers.

Delivery constraint – the Barmah choke:

1. Nonsense media about almond and citrus growers causing both erosion of the banks and silting of the bottom of the river in the choke needs to be corrected.
 - a. The banks shown look very similar to many bends all the way down the Murray – at a high enough velocity some soil will be eroded from a river bank – Stream Flow for Dummies 101?
 - b. The only difference here is that the high flows occurred most springs pre settlement – where as now peak demand for irrigation water shifts those peak flows to January.
2. The MDBC has been doing a brilliant job on floodplains above and below Renmark at a cost of \$120 M to date to enable more efficient use of environmental water.
3. The excess flooding of the Barmah Forest has been known for a number of years.
 - a. Why aren't the banks being raised or the channel expanded to eliminate the water being lost?
 - b. The Barmah Forest's e'water should be applied just as efficiently as the water to the flood plains around Renmark?

4. The water market is complex enough without having to wonder when the MDB will restrict flows to protect the red gums – in a managed system, the outcome for the red gums needs to be included too!

Carry over water in SA:

- In April the govt advised that SA irrigators should consider purchasing carry over water on the likelihood of allocations not being fully delivered.
- It is a cruel hoax now playing out where growers who can least afford it have already lost 70% of their investment in carryover water and are likely to lose the lot if SA allocations reach 100% - as the rules for carryover have been changed and water not used by June 30th is lost
- SA carry over rules should be the same as apply to NSW & Vic carryover water – the trade between the 3 states is now a mess where carryover is concerned.
- The old argument that the dams are owned by NSW and Vic and SA can only have access to airspace in the dams when they don't need it – should be eliminated in the name of efficient management and marketing of this valuable resource.

ISSUE 4 – water owned/used per area crop in each trading zone.

A registrar of water owners/users that included area of each crops irrigated in each water trading zone would be very useful data for water owners and investors.

ISSUE 5 – “a sustainable level of water diversion” allowing “water to move to its most productive or “highest value” use”

I contend that “flood plain harvesting (FpH)” falls well short of these aims:

- The MDBC Plan & the Water Act have to date failed to describe and therefore prescribe methods of take in the Northern Rivers, that in recent decades has become the principal system for extracting streamflow's for irrigation.
- methods that extract most of flows or floods contravene the very basis of the Plan
- a little of the flood plain above a FpH structure will receive enhanced flooding regimes (sometimes to such an excess that a neighbour's crops are drowned – the method is unable to be controlled), whilst the floodplain below structures is only likely to flood in extreme flows. The effect on downstream riverine conditions is equally disastrous in floods that are say less than 50 year events – ie they get no water.
- whilst the MDBC assigned SDL's to all streams in what has been accepted as a fair and equitable way. – the advent of illegal in river and on floodplain structures voids any intent of the Plan to deliver triple bottom line results. Such structures have at best limited capacity to manage take according to water licence agreements, streamflow management plans and environmental management.
- It is not clear how SDL's were arrived at in streams where FpH is the common form of take. The accounting for water taken by this method to date has been woefully inaccurate.
- When proper accounting of all forms of take in the Northern Rivers are introduced – new SDL's are likely to be required for these streams.
- it is acknowledged that many of the Northern Rivers are ephemeral but exacerbation of these sensitive environs, by such high percentage takes in often low flow conditions is totally counter to Plan principles?
- some industries have been very successful in part due to FpH. However, all the irrigation industry has been asked to share the resource so that the environment and the people who live and work in the valley do so with equity?

- I do not wish to be seen as wanting more water from the Darling for SA – for it is a rare year when that happens. Rather I have friends who live on the Darling and have for too many years been unable to take stock water. The graphic pictures of dying fish are not to be unexpected in a drought – but my fear is that FpH is a relatively new form of take that is now exploited on a massive scale and drought for the lower Darling could occur every year unless the accounting and environmental standards in the Northern Rivers is brought up to the same standards that apply in the Southern connected system.

I trust my notes can be usefully applied to the many questions your enquiry is raising!

Your faithfully,

Tom Martin.