



Peak body for five landholder associations and 1600 irrigators in the Murray Valley

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8<sup>th</sup> February 2010

Water Branch  
Australian Competition and Consumer Commission  
Level 35, The Tower  
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MELBOURNE VIC 3000

**PUBLIC SUBMISSION – ACCC PROPOSED AMENDMENTS TO WATER  
MARKET RULES 2009 AND WATER CHARGE RULES 2009**

Southern Riverina Irrigators (SRI) is a representative body of Five Landholder Associations located within the Murray Irrigation Region of Southern NSW.

This submission seeks to support the position adopted by Murray Irrigation Limited on the proposed amendments to Water Market Rules 2009 and Water Charge Rules 2009.

The Murray Irrigation region was developed by the NSW Government as Australia's largest irrigation network between 1933 and 1964. The NSW Water Conservation and Irrigation Commission was responsible for the construction and operation of the irrigation district. The control of the region then went to the NSW Water Resources Commission and then a further department change, created the Department of Water Resources. The supply of water was then privatized in 1995 and came under the control of Murray Irrigation Limited.

Southern Riverina Irrigators represents the interests of irrigators within the area of operation of Murray Irrigation. As a privatized water supply network, operational, business structural changes and/or legal risks imposed on Murray Irrigation, ultimately affect the interests of irrigators in the region.

Southern Riverina Irrigators encourages the ACCC to appropriately acknowledge the ramification of changes being proposed in the amendments as referred to in the submission from Murray Irrigation Limited.



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## **Public Submission**

# **ACCC – Water Market Rules and Water Charge Rules**

## **Proposed amendments**

8<sup>th</sup> February 2010

**Louise Burge  
Chief Executive Officer  
Southern Riverina Irrigators**

## SOUTHERN RIVERINA IRRIGATORS

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Southern Riverina Irrigators (SRI) is a representative body of Five Landholder Associations located within the Murray Irrigation Region of Southern NSW.

As a member of NSW Irrigators Council, SRI supports the NSW Irrigators Council submission to the ACCC – Water Market rules and Water Charge Rules, Draft advice on Proposed Amendments.

This additional submission is to reaffirm the concerns of NSW Irrigators Council and to make additional comment in regard to the over simplification of Water Trade issues.

### **Additional Comment:**

The National Water Initiative (NWI), sought to deliver beneficial water policies to Australia. States are at various levels of implementation of the NWI policies and the pace of change and community adjustments has not been without its difficulties. Changes of this magnitude require time and a full appreciation of community adjustment that has to be implemented, as a result of Government policy.

The Water Act of 2007 and the new Murray Darling Basin Plan, will deliver further changes, placing additional concerns and business risks to regional communities.

In addition to these significant changes, the ACCC in reports to Government have taken a simplistic concept of water trade which have ignored the complexities of both natural water delivery systems and the significant operational and administrative adjustments that will be imposed on Infrastructure Operators.

As part of water planning for the Murray Darling Basin, the separation of Land and Water and the imaginary concept of ‘high value crops’, led to a belief that Governments can encourage ‘winners’ in Agriculture. The concentration of some types of permanent plantings underpinned by Managed Investment Schemes, are a case in point.

A foundation principle of the NWI was to encourage the more ‘efficient’ and ‘better use’ of water, in effect, to encourage water use via trade, from low value crops to high value crops. However this concept of a ‘high value’ crop is flawed. Australia’s Agricultural robustness, stems primarily, from its diversity and lack of reliance on one enterprise. Domestic and International Markets, World trade issues, Climatic events and Government policies, all combine to ensure that a ‘high value crop one day, will be a low value crop another’.

Trade should and will remain, an important component of Water management in the Murray Darling Basin. However caution should be taken when imposing a set of market and charge rules that may not reflect the practical realities of the Murray Darling system,

or the significant policy changes, being imposed on rural businesses and/or Infrastructure Operators.

Trade in its purest form, must also account for the natural constraints of the River systems. There are both physical and operational issues to consider, some of which may not have been fully appreciated by the ACCC in the original report to Government on Water Market Rules and Water Charge rules.

The ACCC Water Market Rules and Charge Rules Proposed Amendments, also reflect the need for wider appreciation of complexities of the issues and appropriate time to ensure that sound decisions can be made.

SRI encourages the ACCC to build into its recommendation to Governments, the need to fully investigate the impacts of proposed recommendations. These include legal and additional resource costs for Infrastructure Operators and the need for appropriate timeframes, to adequately assess or implement any changes.