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NSW Irrigators' Council

*February 2019*

**Re: Independent Review of the Impacts of the Bottled Water Industry on Groundwater Resources in the Northern Rivers Region of NSW**

To the NSW Government Chief Scientist & Engineer,

The NSW Irrigators' Council (NSWIC) – as the respected authoritative peak body representing water users in NSW – offers our position and contributions of expertise (where appropriate) towards the *Independent Review of the Impacts of the Bottled Water Industry on Groundwater Resources in the Northern Rivers Region of NSW*.

Managing water resources sustainably, responsibly, effectively and consistently is critically important for irrigation farmers in NSW. Also critically important, is the need for decision-making to be evidence-based, using the best-available information, and actively pursuing research to fill knowledge gaps. The NSWIC hopes this Independent Review will contribute positively to these principles.

*NSWIC Position*

NSWIC is of the firm understanding that no preferential or discriminatory treatment should be applied to how water that is legally and compliantly extracted is used.

Regulations do not dictate how a water licence is to be used. If an entitlement holder sees it as most profitable to bottle water, rather than use it to irrigate a crop, then that is the business decision of the entitlement holder. It is their business decision to choose whether to use that water for corn, wheat, nuts, livestock or simply to put it in a bottle. This decision is based on market forces of supply and demand, commodity trends, weather patterns, and other input prices.

It is crucial for irrigation farmers across the State, that the autonomy of entitlement holders is not eroded in the process of the Government responding to public opinion about water that is extracted for bottling. NSWIC strongly encourages the Chief Scientist & Engineer to address the security, certainty and nature of water access entitlements as part of this review and clarify

that usage decisions following the legal and compliant extraction of water which an entitlement holder has purchased, are to the discretion of that entitlement holder.

### *Caution is needed with potential precedent for other water users in NSW*

Whilst the scope of this review is limited to the Northern Rivers Region of NSW, any change in the management of water licences may lead to state-wide precedence, particularly if those changes relate to Water Sharing Plans. Thus, NSWIC urges that if any regulatory changes are advised as a result of this review, that they are tailored to be relevant only to the specific region and industry so they do not lead to unintended negative third-party impacts across the state.

**Recommendation:** Any response to water extracted for bottling must ensure that a precedence is not set which unintentionally restricts the freedom of water entitlement holders and their business decisions across the state.

### *Groundwater Dependent Ecosystems*

Historically in NSW, provisions for further studies into Groundwater Dependent Ecosystems (GDEs) and reviews of recharge have been included in Water Sharing Plans but have not been completed. NSWIC recognises that if water extraction is proven to have a significant impact on groundwater, then water extraction rules may need to be amended.

NSWIC has recently advocated in submissions towards alluvium Water Resource Plans that there are high risks (including to water users) if insufficient information is known about GDEs to be able to determine how GDE management should interact with water users. Specifically, the degree of reliance of GDEs and which specific aquifer system that GDE depend upon, are crucial pieces of information in order to best manage both the GDE and water usage. NSWIC has advocated that further reviews into GDEs are needed to:

- Improve knowledge gaps
- Validate existing data
- Quantify the degree of reliance.

NSWIC is concerned about policy creep (whereby interim measures become formalised longer term), and the consequent social and economic impacts, given the longevity of calling for reviews into GDEs. Further reviews are urgently needed to better understand the nature and magnitude of the linkages between groundwater extraction and GDEs. NSWIC has called for this GDE review to be completed within the timeframe of the Water Sharing Plans being implemented in 2019.

### *Alignment with the Natural Resource Commission 2018-19 Water Sharing Plan Review*

The Natural Resource Commission (NRC) has recently completed public consultation on a review of some Coastal Water Sharing Plans, which is an obligation under s.43A of the *Water Management Act 2000*. Under this legislation, the NRC is to provide advice to the Minister on:

- *the extent that water sharing provisions have contributed to environmental, social and economic outcomes; and*

- *whether changes to those provisions are warranted.*

NSWIC suggests that the findings and submissions provided as part of the NRC review may offer valuable insights to inform part 1.a of the Terms of Reference.

NSWIC provided a submission to this process which is available on the NSWIC website. In summary, NSWIC advocated for the NRC to advise the Minister that:

- the operation and effectiveness of water trading in coastal valleys is ineffective, and options must be investigated to enhance trading in interconnected streams in coastal valleys;
- there is a need to increase the flexibility of mapping processes to allow for ongoing amendments based on new or improved knowledge;
- Basic Landholder Rights require greater clarification in Water Sharing Plans;
- Any Government response to the extraction of water for bottling does not set a precedence which restricts the freedom of water entitlement holders and their business decisions.

Whilst these issues may not all be directly relevant to this review, they will assist the Chief Scientist & Engineer to secure understanding of the breadth of issues regarding water management in coastal regions, particularly relating to Water Sharing Plans.

#### Availability of NSWIC Expertise

NSWIC understands that within the Terms of Reference provision is made for the Chief Scientist and Engineer to seek advice from relevant organisations as required (3.a, 3.b). The NSWIC and our Members hold significant expertise in water policy and water management on the ground. Where required, NSWIC offers our expertise to contribute towards the outcomes of this review.

Please do not hesitate to contact the NSWIC throughout the review process. We look forward to seeing the findings of the review.

Kind regards,

NSW Irrigators' Council.