

20 September 2024

Department of Climate Change, Environment, Energy and Water
John Gorton Building
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By email: nwi@dcceew.gov.au

RE: Submission to the National Water Agreement

The Victorian Farmers Federation (VFF) acknowledges the importance of a robust National Water Agreement to secure water resources and to ensure equitable water management across sectors. For the agricultural industry, secure access to water is essential for sustainability, economic contribution, and food security. The current draft principles of the NWA, however, fail to adequately support the agricultural sector, and significant revisions are needed to address critical concerns.

Key Requirements of Agriculture in the NWA

Farmers require a National Water Agreement that:

1. Recognises the agricultural sector's reliance on secure water supplies and its significant contribution to the national and regional economies.
2. Acknowledges the impacts of climate change on water security and ensures that government interventions do not exacerbate these challenges.
3. Ensures affordable, stable, and secure water entitlements and allocations, along with infrastructure and services that support private investment in irrigated agriculture.
4. Establishes a fair, competitive, and transparent water market, free from continuous government intervention that disrupts market stability.
5. Recognises and supports agriculture's contributions to regional and local communities.
6. Involves farmers in the preparation and implementation of water plans that directly affect them.

Where the draft principles fall short

The VFF does not support the draft NWA principles in their current form due to the following issues:

- **Lack of balance:** The draft principles overemphasise environmental and Aboriginal and Torres Strait Islander water interests while neglecting agricultural, industrial, and other commercial uses of water.
- **Overreach of principles:** Certain principles extend beyond the scope of the NWA, including Principle 3.2, which introduces matters too complex to be embedded within over 300 principles and subprinciples. Principle 3.3 introduces emerging legal concepts with uncertain implications for the water governance framework.
- **Cost implications:** The draft principles fail to address the cost of providing water services and their contribution to cost-of-living pressures. Implementing the complex web of principles would likely increase costs for water users.
- **Food security oversight:** The draft principles overlook water's critical role in food security and do not address the impact of water policy on the costs of food production.
- **Failure to promote collaboration:** The draft principles do not foster a cooperative approach among all water users to adapt to the challenges posed by climate change. Instead, the current approach continues to take water from farmers to solve broader issues.
- **Inadequate consultation:** There is a lack of meaningful consultation with farmers in their communities, resulting in feedback that is often overlooked.
- **Unclear roles and accountability:** The roles of the Commonwealth government, state governments, service providers, and water users are not clearly defined, leading to potential overreach by the Commonwealth into state matters, similar to the approach seen with the Murray-Darling Basin Plan.
- **Backward-looking principles:** Many principles are already incorporated into existing water management practices and do not provide leadership or guidance on emerging issues such as climate change and food security.
- **Excessive complexity:** The more than 300 principles and subprinciples make the NWA unnecessarily complex, costly to implement, and reliant on large numbers of state and Commonwealth bureaucrats, further hindering efficient water management.

A way forward

The VFF advocates for a revision of the National Water Reform Outcomes Framework as the foundation for the new NWA. The framework should focus on providing national leadership and addressing emerging issues, including those raised by the Productivity Commission. Key recommendations include:

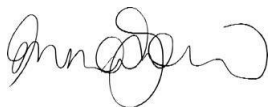
- **Incorporate agriculture's key requirements:** The NWA must include the six key requirements for agriculture outlined above to ensure a fair and balanced agreement.

- **Streamline the principles:** Simplify the outcomes and principles by eliminating repetition and separating outcomes from high-level principles. This will result in a more concise and manageable framework.
- **Effective consultation:** The Commonwealth and states must collaborate more effectively through a consultative process that results in a set of reworked objectives, outcomes, and principles that are mutually agreed upon.
- **Funding transformative projects:** The Commonwealth should establish a program to co-fund transformative water projects with the states and water service providers. These projects should focus on adapting to future challenges, including the impacts of climate change, and improving water supply security for agriculture, urban, and environmental needs.
- **Cost-sharing principles:** An agreed-upon set of cost-sharing principles should be developed to ensure the fair distribution of financial responsibilities among the Commonwealth, states, and water service providers.
- **Incentives for engagement:** The NWA must include meaningful incentives for states and water service providers to engage in the process and deliver outcomes aligned with national objectives.

Conclusion

The VFF urges the Commonwealth to revise the draft National Water Agreement to ensure it reflects the needs of agriculture and other critical sectors. A balanced and forward-looking agreement is essential to address the challenges of climate change, secure water for all users, and sustain Australia's food production and economic well-being.

Yours sincerely,



Emma Germano
President
Victorian Farmers Federation