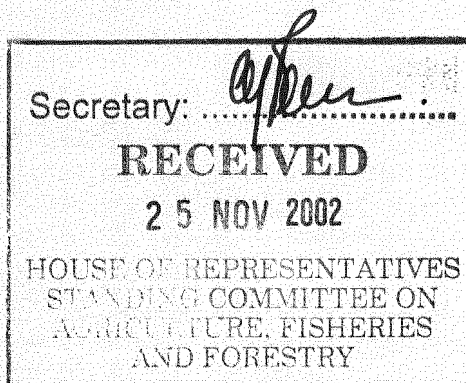


**Twynam Investments Pty Limited**  
ACN 000 573 213 / ABN 12 000 573 213



30 October 2002

Mr Ian Dundas  
Committee Secretary  
House of Representatives  
Standing Committee on Agriculture, Fisheries and Forestry  
R1 110  
Parliament House  
CANBERRA ACT 2600

**Emailed 31 / 10 / 02**

Dear Mr Dundas

Re: Twynam Submission to the "Inquiry into future water supplies for Australia's rural industries and communities"

Twynam are appreciative of the opportunity to make a submission to the House of Representative's Standing Committee on Agriculture, Fisheries and Forestry. We have also emailed this document to [Primary.Industries.Reps@aph.gov.au](mailto:Primary.Industries.Reps@aph.gov.au).

As background the Twynam Agricultural Group commenced in the early 1970's in New South Wales. Twynam saw the potential of the irrigation industry for efficient agricultural production and expanded its interests in the Namoi, Murrumbidgee, Macquarie, Barwon, Gwydir and Lachlan valleys. Today Twynam is one of Australia's largest agricultural producers operating 17 properties totalling 430,000 hectares. The Group's rural industry mix includes beef, feedlotting, wool, rice, cotton, cereals and pulses. With the acquisition of the Colly Cotton Group in 1999, Twynam now operates 4 cotton gins and markets about 20% of Australia's cotton crop internationally. The Twynam Group employs over 400 people directly and 200 contractors across New South Wales and Queensland. More information on Twynam is available at [www.twynam.com](http://www.twynam.com).

Twynam Agricultural Group prides itself on a very responsible approach to agricultural production which is in harmony with the community needs to achieve positive social, economic and environmental outcomes. The future of water supplies is a critical issue for Twynam and the rural communities within which it operates.

We make the following general and specific comments supported by suggestions where possible.

**Response to Terms of Reference:**

**1) The role of the Commonwealth in ensuring adequate and sustainable supply of water in rural and regional Australia**

The Commonwealth has a critical leadership role to fulfil in the:

- Development and co-ordination of policy ie CoAG
- Implementation of Natural Resource Management Initiatives ie NHT, NAP
- Funding
- R&D provision and initiatives
- Education

Doc: CRC1244

To achieve adequate and sustainable water supply the needs and rights of all members of the community and the environment need to be respected. Twynam wish to see positive change in the context of a clearly announced vision for the environment, irrigated agriculture and rural communities. Without that vision the future for investment in business, people and rural communities is undermined.

Improvements in natural resource management can only be successfully implemented if there are viable communities that have ownership of the changes sought at farm and regional levels. There is a strong need for a national approach to all natural resource management issues with the Commonwealth driving the process in partnership with the State governments and rural communities. We all have a responsibility for the stewardship of natural resources but Twynam notes with significant frustration the lack of accountability in the CoAG approach for delivering outcomes. The Commonwealth must move beyond words and withhold tranche payments to States that do not engage in the spirit of the agreement nor the community in genuine reform processes, including the introduction of property rights as targeted by the CoAG. The same accountability for outcomes must be applied to NHT and NAP funding.

Twynam recognises the importance of R&D in providing knowledge and management systems to support sustainable water use and effective natural resource management. We note that some R&D programs, for example the CRC for Freshwater Ecology, do not conduct research with a respect for the importance of irrigated agriculture. We note the importance of the availability of complete, independently audited and publicly available data sets of river system water flows, groundwater aquifer levels, extractive and environmental use. The Commonwealth has a role in ensuring environmental and consumptive use performance is independently benchmarked and that clear objective community goals are set for water quality.

There is a need for a national framework for relevant training, accreditation and education programs to support of changes in sustainable water use.

**2) Commonwealth policies and programs, in rural and regional Australia that could underpin stability of storage and supply of water for domestic consumption and other purposes**

Twynam acknowledges that there are no "silver bullets" in improving the reliability of water supply. But we strongly believe that significant incremental improvement in the supply of domestic, rural and environmental water needs is achievable through holistic catchment management, infrastructure improvement, improvement in onfarm water efficiency and innovative solutions. Water supply and environmental improvements are strongly linked.

The Commonwealth should support infrastructure investment including upgrading of existing and new infrastructure that enhances reliability of supply, efficient water use and environmental outcomes. We note that within the six NSW river catchments that Twynam operates there have been significant potential improvements identified by rural communities. Investigations of which should be progressed and subjected to cost benefit analysis. These investigations would include evaporation losses from the Menindee Lakes (up to 700 GL annually), thermal pollution from major public storages and piping of stock and domestic water supply on unregulated streams.

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Twynam recognises the importance of incentives for change and self-regulation as a priority over regulation. We have identified the following targets for incentives:

- re-use of grey water
- water supply efficiency gains
- improved onfarm irrigation efficiency
- achievement of environmental water use outcomes
- adoption of industry best management practices, eg. Cotton BMP, that improve irrigation efficiency and environmental outcomes.

We note the Commonwealth Bushcare initiative that invites tenders for environmental outcomes as a potential model for a water market based instrument that would target the trade of water from consumptive use to the environment for investment in water use efficiency and environmental improvement. This model could be applied to urban and rural situations. Each tender would be assessed on its cost/benefits with win/win outcomes of improving the productivity, natural resource management and sustainability of businesses, rural and regional communities. This initiative would be a complete contrast to the lose/lose NSW government approach, under the current CoAG water reforms, of reducing the availability of water without compensation, which is in itself against COAG principles. Twynam recognises that there may be a need for a national environmental levy to support funding for such an initiative.

Twynam also recognises the potential for investigation of new water sources including diverting rivers, desalinisation and cloud seeding. We support these investigations but strongly note the priority to improve the sustainable and productive management of existing water sources. Importantly consideration must be given to the cost/benefit analysis and environmental risk assessment of accessing new water sources.

### **3) The effect of Commonwealth policies and programs on current and future water use in rural Australia**

We have noted our comments on the effect of Commonwealth policies on page 2 under the terms of reference item 1).

We acknowledge the Commonwealth NHT and NAP initiatives but again note our concerns with the poor achievement of outcomes due to the lack of genuine community engagement, lack of effective partnerships between State and Commonwealth government, lack of useful information/knowledge to support catchment based decision making and short timeframes.

The operation of the Murray Darling Basin Commission is a major concern to Twynam with similar criticisms levelled at a lack of genuine community engagement, lack of accountability for environmental performance, unbalanced R&D/information provision and decision making processes that do not recognise socio-economic impacts. The Murray River Environmental Flows initiative is an example of poor process and lack of accountability. We cannot fathom that the Expert Reference Panel on Environmental Flows and Water Quality Requirements for the River Murray System could not identify significant potential water savings through adaptive management or infrastructure improvement.



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Twynam would expect that any increase to the environmental share of flows would be based on scientifically researched needs and targeted objectives. It would only be required when adaptive management of existing volumes and infrastructure improvements had still been found limited. Environmental flow results should be monitored, benchmarked and the government held accountable for performance against these objectives.

If additional environmental water is required then we suggest it be found in the following priority:

- i) The cancellation of sleeper licences, which is a valid and legally available avenue in NSW.
- ii) Where the source provides the greatest environmental benefit.<sup>1</sup>
- iii) Through incentive schemes.
- iv) Voluntary buy back of license entitlement
- v) Enforced buy back of license entitlement

We are left with view that the MDBC has no genuine desire to identify specific environmental goals or real solutions. Targeting water volume alone from the consumptive share is not a win/win for Australia. Twynam would wish to see that socio-economic impacts to business, people and the rural communities where we live and work are well understood, communicated and addressed in an equitable manner. Decisions need to be clearly understood by the whole community including the cost/benefits of decisions. Where public benefits accrue the whole community needs to share the cost of reforms.

#### **4) Commonwealth policies and programs that could address and balance the competing demands on water resources**

We have noted in our prior comments under the terms of reference items 1, 2 & 3.

Twynam is unclear how the submissions and outcomes from Commonwealth inquiries are utilised productively. We observe that many of the issues of this inquiry overlap with a related inquiry, the "Inquiry into the Private Costs of Public Good Conservation" to which the Twynam Agricultural Group responded in 2001.

#### **5) The adequacy of scientific research on the approaches required for adaptation to climatic variability and better weather prediction, including the reliability of forecasting systems and capacity to provide specialist forecasts**

Twynam supports the principle of catchment based land management approaches and supportive R&D. We recognise the need for adaptive management approaches that build progressively on knowledge.

In terms of knowledge we note that long term climatic forecasting accounting for climate change is an important area of continued research.

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<sup>1</sup> "Improving Water Use Efficiency. Targeting Public Investment", McDonald and Heaney, ABARE, July 2002.

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In closing we offer our support for outcomes from this inquiry and would welcome the opportunity to provide further input on request.

Yours sincerely



**Christine Campbell**  
Chief Executive Officer