

**Turf Australia Ltd - Industry Response to the proposed
National Water Agreement 2024**

To Whom it May Concern,

I write to you in response to the proposed National Water Agreement (NWA) 2024. Upon careful review of the agreement reforms proposed, Turf Australia, (the national peak industry body), feels obliged to highlight the very concerning lack of information relating to the proposed roll out and the expected impacts of the proposed reforms to the NWA on Australian horticultural and agricultural producers, as a result.

On behalf of our 230 Turf Producer members and levy payers, from across Australia, we seek your clarification and call upon decision makers, to assess and respond to our industry's:

**KEY CONCERNS AND POTENTIAL SOLUTIONS REGARDING THE ECONOMIC VIABILITY OF THE
PROPOSED NEW NATIONAL WATER AGREEMENT:**

Cost-Benefit Analysis:

- **Concern:** The agreement lacks a rigorous cost-benefit analysis to demonstrate its economic viability. Committing governments to new outcomes without understanding the costs could be financially unsustainable.
- **Solution:** Mandate business cases for major components that quantitatively and qualitatively assess costs, benefits, and net impacts across all agricultural and horticultural industries.

Environmental Controls and Impact on Production:

- **Concern:** Tighter environmental controls, entitlement changes, or water allocation rebalancing may negatively impact agricultural and horticultural production and regional employment without adequate support.
- **Solution:** Conduct socio-economic impact assessments and commit to suitable support programs where needed.

Infrastructure Costs and Subsidies:

- **Concern:** If new infrastructure is built or service standards increase, how much will these costs be passed onto growers, households, and industries versus taxpayer subsidies and/or state or federal government investment?
- **Solution:** Commit to nationally consistent cost-reflective pricing principles and limit subsidies to proven cases of necessity. Ensure unbiased and priority-free water purchasing for irrigators.

Avoiding Overlaps and Wasted Resources:

- **Concern:** Overlaps between the agreements (e.g., the proposed Basin Plan and state-based policies) could result in resources being wasted on non-additional activities.
- **Solution:** Clearly define complementary roles and responsibilities to ensure coordinated and non-duplicative activities, aligned with clear, defined, and precise objectives.

Measuring Success and Long-Term Evaluation:

- **Concern:** Without clarity on what success looks like, it will be difficult to evaluate if outcomes warrant the costs over the long term.
- **Solution:** Establish clear, quantified, and time-bound objective performance indicators to facilitate ongoing cost-benefit assessments.

OBSERVATIONS AND RECOMMENDATIONS:

Modernizing Relevant Elements:

- **Observation:** Elements related to statutory planning, entitlements, trading, compliance, and reporting from the 2004 NWI (National Water Initiative) remain highly relevant.
- **Recommendation:** Rather than discarding these elements, the agreement should focus on modernizing them. Clear communication about what is to be retained, refreshed, or discarded is necessary.

Quantified Performance Metrics:

- **Observation:** The absence of quantified performance metrics makes it impossible to judge cost-effectiveness and make necessary adjustments.
- **Importance:** Aspirations alone cannot justify committing public resources over decades. It is crucial to evaluate outcomes against measurable indicators, especially considering the impact on primary production industries in both the short and long term.

The Australian Turf Industry acknowledges the need to modernise the country's water management framework. However, committing to long-term obligations without rigorous evaluation and consultation poses major financial risks to our members and industry, which is very concerning.

The proposals presented by DCCEEW in both the Consultation Paper (Jan 2024) and the Discussion Paper (Mar 2024) are complex and have potential and significant impacts on existing water license-holders and water users, including Turf Australia members and affiliates, and indeed the wider turf industry. The following areas of lack stand out:

1. Complexity and Lack of Details:

- The proposed changes are significant, but the documents only provide high-level goals without explaining how they will be achieved. It is like trying to navigate a trek whilst being blindfolded.

- Turf Australia finds the absence of specific mechanisms to be majorly concerning.
- 2. Stakeholder Inclusion:
 - The documents in no way acknowledge the water needs of important stakeholders in agriculture and local government.
 - There is no clear connection between the existing National Water Initiative (NWI) and the proposed National Water Agreement (NWA).
- 3. Co-Design Process and Time Constraints:
 - Turf Australia believes that involving only one stakeholder group in the co-design process goes against the Rule of Law.
 - Those lessons learnt from past failed projects should guide the NWA development.
 - That the consultation time allocated by DCCEEW is insufficient for understanding and consensus-building.
- 4. Webinar and Awareness:
 - The recent online webinar was helpful, albeit very belated in the process. It is important to note however, that the delayed posting of the webinar summary led to limited access prior to submission period end.
 - That more time is required for NWA development, considering its long-lasting impact.

The objectives outlined in the proposal omit explicit recognition of the importance of agriculture and horticulture and the joint obligations of environmental protection within a sustainable production framework. Integrating these priorities and respecting their interdependence strengthens long-term viability and stewardship across the turf sector.

Recognising Indigenous cultural stewardship of waterways aligns with outlined sustainability priorities. However, elevating Indigenous interests via objectives alone means little without clear implementation pathways and adequate resourcing to facilitate meaningful involvement. Unless outcomes comprehensively address Indigenous groups' capacity and resource constraints, lofty objectives may deliver disappointment rather than progress. The Turf industry supports objectives reflecting realistic and practical principles of inclusion and welcomes the support of both state and federal governments to address and support our concerns.

One of the main issues we see as an organisation is the absence of a proper cost-benefit analysis, which has not been clearly defined in the proposed amendment. Turf producers rely heavily on irrigation from either surface and/or groundwater supplies and require assurance that any reforms imposed will result in proportional benefits without causing excessive burden through restrictive measures such as amended allocations and associated costs.

Furthermore, these proposed policy changes necessitate a thorough evaluation of the economic, social, and environmental costs compared to the predicted outcomes. Predicted and clearly defined outcomes will enable turf producers to confidently produce turf at the 'farm gate' to meet market supply and demand, safeguarding the individual and the industry from a national perspective.

If regulations tighten access or drive higher prices, impacts concerning farm viability must be assessed and reviewed. While adjustment programs are mentioned, unknown pressures like water supply restrictions leave growers vulnerable without clarity on impacts or support from regulatory authorities. Committing absent consequences risks severe socioeconomic consequences against commitment.

"If the ownership of water, and the prospect of water bidding becomes a reality, it will undoubtedly

result in a percentage of horticultural and agricultural producers walking away from their businesses and the land.”

Funding sources also require transparency. Taxpayers cannot, and should not, have to shoulder these costs if new conditions elevate industry expenses. The new governing principles must ensure costs are reasonable and fairly distributed across users, ensuring long-term affordability and security. Producers will then have the confidence to make decisions with ongoing support and clarity.

A concern we feel needs to be addressed is the potential for overlapping responsibilities and the risks of wasting resources on duplicative actions. Clearly defined accountabilities will ensure activities strengthen rather than dilute outcomes. This will also provide confidence from the turf industry that the proposed outcomes will be transparent and achievable.

Additionally, quantitative performance metrics will be necessary for ongoing evaluation against expenditure and identified KPIs.

While reform aims seem valid, open-ended commitments preceding financial scrutiny jeopardise our industry's sustainability and future growth. An independent evidence-led, cost-conscious approach must support delivering proportional benefits merits to farmers' which will then allow for continued support for water reform- pending the final proposal. A comprehensive analysis must precede agreeing to large-scale legal obligations materially impacting irrigation industries on which many urban and regional communities heavily rely.

Turf Australia seeks further consultation to address concerns about financial viability before endorsing reform proposals that will critically reshape long-term water access. A financially disciplined, evidence-based process must be implemented to protect stakeholders' investments in supporting sustainable water management reforms that will support growers.

Without quantified performance metrics, judging cost-effectiveness and making necessary adjustments is impossible. Aspirations alone are insufficient to commit public resources over decades, which will affect primary production industries in the short and long term, not just the turf sector.

The turf industry acknowledges that climate change poses serious risks to securing water access critical to our grower's livelihoods. If implemented judiciously with due diligence to financial impacts, the climate resilience objective could help strengthen future water security in a changing climate. However, given unknown costs and obligations, we require assurance that regulatory changes or pricing reforms will not jeopardise the viability of turf growers before unconditionally supporting this objective.

In summary, we believe that while the water reform intent may be valid, rushing into open-ended legal commitments before addressing the economic viability, shortcomings, and financial risks, we remain extremely concerned about costs spiralling without commensurate benefits. A more financially disciplined approach based on evidence rather than assumptions is needed to give taxpayers, levy payers and industry investors' confidence that their funds are well-spent and supported.

The Australian Turf Industry seeks clearer details, stakeholder inclusion, and more time for meaningful consultation. Unfortunately, we believe that this consultation process is to date, seriously lacking on all accounts.

When introducing legislative changes or making decisions, Australian law specifies that relevant information is supplied in full and in a clear and transparent manner and context. Transparency is key, Australians should be able to clearly understand the context, reasons, and potential impact of any decisions.

Equally, the Australian community should have been afforded the opportunity to express their views in response to the information provided in a timely manner. The National Water Agreement 2024 requires extensive consultation. The method of consultation must be open and transparent and readily available, to achieve inclusive community engagement. It is a fact that effective consultation leads to better decision-making, smoother change implementation, and fairer outcomes. Unfortunately, in this instance, the consultative period is lacking from all perspectives.

How the federal government is going to manage the prioritisation and importance of water for industries and communities reliant on water for the production and sustainability of valued crops, (significantly food production), and resources, is extremely concerning to the future of the overall Australian economy.

“Cost and availability of water will be directly reflected in the cost of production. Cost of production impacts end users, and ultimately, the Australian populace.”

We reiterate that the lack of public awareness regarding this water reform is gravely concerning. Many industries have only just been made aware of the proposed reform. Australians, at a mum and dad level, small businesses, Local Government Authorities, and even corporations, have little to no awareness of the proposed changes. Effectively the wider community has not been afforded the opportunity to respond to either the survey or provide a submission. They too have the potential to be profoundly impacted by the outcome of this process, particularly regarding food security, resource security, and amenity green spaces for health and well-being, both domestically and publicly; this must not be forgotten.

Thank you for considering our **concerns** and feedback on this important matter. We present these on behalf of the Australian Turf Production sector, the wider Turf Industry, and indeed the Australian community. We look forward with anticipation to your response.

Sincerely,

Bec Sellick
Chairperson
Turf Australia

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Turf Queensland wholeheartedly endorses the submission put forth by Turf Australia regarding the proposed water management framework. We share the concerns outlined in the submission and believe that a thorough evaluation and consultation process is crucial before committing to any long-term obligations.

The points raised in the submission highlight the importance of recognising the joint obligations of environmental protection within a sustainable production framework, particularly in the context of agriculture and horticulture. It is imperative to integrate these priorities to ensure the long-term viability and stewardship of the turf sector.

Furthermore, we echo the concerns regarding the absence of a proper cost-benefit analysis and the potential financial risks associated with the proposed reforms. Turf producers heavily rely on irrigation and require assurance that any reforms imposed will result in proportional benefits without placing excessive burdens on our industry.

We also share the concerns about the lack of transparency in funding sources and the potential for overlapping responsibilities. It is essential to establish clear accountabilities and quantitative performance metrics to ensure transparency and accountability in the reform process.

In summary, while we acknowledge the validity of the water reform objectives, we advocate for a financially disciplined and evidence-based approach to protect the interests of stakeholders in the turf industry and beyond. We appreciate the opportunity to provide feedback on this crucial matter.

Yours sincerely,

Greg Pelka

President, Turf Queensland



The National Water Reform Submission prepared by Turf Australia succinctly and appropriately addresses the concerns of the members of the Turf Growers Association WA very well.

In the submitted content, the raised points emphasize the joint responsibilities of environmental protection within a sustainable production framework, particularly in the context of agriculture and horticulture. This is a highly poignant point. TGAWA members believe that it is vitally important to integrate these priorities to ensure the long-term viability and stewardship of the turf sector.

We also acknowledge the importance of addressing transparency issues related to funding sources and the potential for overlapping responsibilities. To ensure accountability and transparency during the reform process, it is crucial to define clear accountabilities and establish quantitative performance metrics.

As Chairperson of TGA WA, I fully endorse the Turf Australia submission, on behalf of our members. I am hopeful that the potential concerns the National Water Reform 2024 proposal imposes on our members as primary producers, are favourably and transparently considered by the Federal Government.

Thank you for considering this submission.

Yours Sincerely,

Darren Kirkwood
Chairperson Turf Growers Association WA (Inc.)