



# Water Matters

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### Reliable water access and efficiency gains realised through modernisation

Sunraysia irrigators are benefitting from the single largest infrastructure upgrade in the region in over 100 years.

The Australian Government's \$102 million funding for the Sunraysia Modernisation Project is providing reliable, year-round access to water combined with considerable water savings.

Covering Merbein, Mildura and Red Cliffs in North West Victoria, the project involves the replacement of open irrigation channels and inefficient irrigation methods used for cropping and horticulture with pipelines and automated pumping stations.

This will provide access to water 365 days a year, improved water quality by eliminating blow-in debris, improved water safety and water savings of seven gigalitres annually.

The initiative has been welcomed by farmers in the region.

Merbein grower, Richard Wells, explained he has seen significant savings on his property since the installation of the

pipeline which has seen filter backwashing reduced from every 40 minutes to every two-and-a-half hours.

"This has not only given me more on-farm efficiency, it also increases the longevity and the lifespan of my filters, thereby reducing costs," Mr Wells said.

This sentiment was echoed by Kim Chalmers from Chalmers Nursery who said, "We have doubled our nursery production with the availability of water 365 days a year.

"Peak demand for water for the nursery and our cuttings is during winter, so the security of water availability has already benefitted our business."

Looking at broader community benefits, Mildura grower Peter Jones said, "The project not only has a benefit for growers, it also has a social benefit for the whole community with contractors utilising local businesses for accommodation, food and recreational activities, such as local sporting clubs."

Find out more about the project at [www.lmw.vic.gov.au](http://www.lmw.vic.gov.au), which is delivered through the Victorian Government with Lower Murray Water managing on-ground works.



Sunraysia pipe install welcomed by farmers in the Red Cliffs region, Victoria



Grants now open for innovation challenge

## Grants available to meet water markets challenge

Grants are now open in the Business Research and Innovation Initiative (BRII) seeking solutions to five challenges across government, including the challenge to improve transparency and reliability of water market information.

The initiative is seeking ideas to address this challenge that utilise new technologies, using emerging digital platforms. The objective is to increase market participation by water right holders and enhance consumer confidence in Australia's water markets.

Water markets allow for the buying and selling of water rights so that water can be moved to where it is needed most and can be used most effectively. They are a key mechanism by which Australia manages water scarcity while still supporting economic growth.

Australia is a world leader in the development of water markets, and markets continue to grow and become more sophisticated, with more trading regions and water rights products now available for trade.

The overall water market comprises a number of separate smaller markets, each with their own unique geographical constraints and specific regulations.

Some market participants consider it is too difficult to navigate the myriad of systems, regulations and rules and seek expert advice from water brokers, which adds to the cost of trading.

In addition, sources of water market trade information are scattered and not always up to date, making it difficult for market participants to make trading decisions that are not necessarily timely or use the best information available.

This challenge seeks a technological solution that provides greater market access and improved transparency of water trading information to all market participants. Up to \$100 000 is now available to each successful applicant to test ideas that will meet the challenge, and applicants may be eligible for a further grant of up to \$1 million to develop and commercialise their proposed technology.

A new approach may have the potential to significantly change the operation of markets and improve ease of access, increase market participation, improve community confidence in Australia's water markets, and also better assist in sustainable management of water resources.

The solution needs to bring together geographically dispersed and disconnected water market systems, and should facilitate trading and deliver timely and accurate





Workers install the main bend in Sunraysia project in Merbein, Victoria

information to water traders with the goal of increasing market participation.

Enhancing water market transparency will improve community confidence in Australia's markets and contribute to sustainable management of scarce water resources.

Challenge applications close on 30 November 2016 and applicants must have an ABN. Apply now for the challenge at [www.business.gov.au](http://www.business.gov.au), or find out more about the BRII at [www.innovation.gov.au/page/business-research-and-innovation-initiative](http://www.innovation.gov.au/page/business-research-and-innovation-initiative).

## SA irrigators first to benefit from new infrastructure upgrade program

Irrigators in the South Australian (SA) Murray-Darling Basin will soon have the chance to give their irrigation systems a boost.

The pilot of a new Australian Government program which aims to improve farm efficiency and productivity through irrigation upgrades is being launched in SA this month. Improving water use efficiency and productivity achieves many benefits while maintaining or improving socio-economic outcomes.

The Commonwealth On-farm Further Irrigation Efficiency (COFFIE) pilot will be delivered by the SA Murray-Darling

Basin (SAMDB) Natural Resources Management Board.

"The Board has been actively involved in the on-ground implementation of the Australian Government funded On-Farm Irrigation Efficiency Program (OFIEP) since 2010," Presiding Member Sharon Starick said, "so we've seen firsthand the fantastic economic, environmental and social outcomes that programs like this provide."

"The Board is looking forward to having a key role in a continuing partnership with irrigators," Ms Starick said.

The COFFIE program design builds on lessons learned from previous on-farm programs (like OFIEP) set up to deliver sustainable water diversion limits in the Murray-Darling Basin. These programs have benefited thousands of irrigators through increased on-farm water use efficiency and recovered water for environmental purposes.

When these programs cease in 2019, COFFIE will be the only on-farm program in operation. It is the first in a range of efficiency measures programs to be funded through the *Water Act 2007*, with \$1.575 billion available for these programs until 2024.

The SA pilot will test and improve the program design before the launch of the full COFFIE program across the Murray-Darling Basin in late 2017.





Australian Government funded drip lines installed to irrigate mandarins in Paringa, South Australia

Natural Resources SAMDB Team Leader Michael Cutting said, “This is an exciting time for us to be involved in the COFFIE pilot, which allows us to continue assisting irrigators in the Murray–Darling Basin to further modernise their on-farm irrigation infrastructure and return the resulting water savings to the environment.”

“Natural Resources SAMDB has a proven track record as a delivery partner working with and for the local irrigation communities. It is pleasing the Australian Government has shown confidence in us and our ability to trial the pilot COFFIE program,” Mr Cutting said.

COFFIE funds infrastructure upgrades and other water efficiency activities in exchange for water entitlements, which are used to help improve the river environment. Participation is voluntary. It will use delivery partners to source irrigators for the program and help them design and manage projects. These projects will deliver the conservative minimum feasible water savings to the Australian Government and irrigators will be able to retain additional water savings.

### More information

- Visit [www.agriculture.gov.au/COFFIE](http://www.agriculture.gov.au/COFFIE) for general information about the program. Detailed information about the SA pilot including relevant documents will be available on the website later in September.

- Irrigators interested in participating in the SA pilot should contact Michael Cutting at Natural Resources SA Murray Darling Basin on 08 8536 5619 or [samdbenquiries@sa.gov.au](mailto:samdbenquiries@sa.gov.au).
- Interested irrigators and potential delivery partners can also subscribe for ongoing information about the COFFIE pilot and program by emailing [efficiency.measures@agriculture.gov.au](mailto:efficiency.measures@agriculture.gov.au).

## Farm Management Deposits now provide greater flexibility

Owning or managing a primary production business in Australia is a rewarding job that contributes to a strong agricultural industry. It can also be challenging and unpredictable because of the adverse effects of our harsh Australian climate and changes in commodity prices.

Following feedback from primary producers, changes to the Australian Government’s Farm Management Deposits (FMD) Scheme are now in effect, allowing primary producers to manage fluctuations in cash flows more effectively.

- Primary producers are now able to set aside twice as much in their FMD, with the deposit limit doubling from \$400 000 to \$800 000.





Changes to the Australian Government's Farm Management Deposits (FMD) Scheme are now in effect

- Early access provisions have also been re-established for primary producers affected by drought.
- FMD holders can now withdraw their FMD within 12 months without losing the tax concessions they claimed in the previous financial year. An online tool is available on the Bureau of Meteorology website to help primary producers assess their eligibility for these provisions – [www.bom.gov.au](http://www.bom.gov.au).

The restriction on FMDs being used as loan offsets has been removed – primary producers will now be able to put this money to work to help them pay off their business loans quicker.

Deputy Prime Minister and Minister for Agriculture and Water Resources, Barnaby Joyce said “FMDs help farmers salt away income generated in good years so they can draw upon it during tough times.

“Now that we’ve introduced these improvements, I hope to see the uptake and value of FMDs increase even further – a sure sign of greater farm resilience and a stronger agricultural sector,” Minister Joyce said.

Rural Bank has already announced it will allow primary producers to use their FMDs to offset the interest costs on their primary production business loans. The government encourages other financial institutions to follow suit. Primary producers are urged to contact their bank to discuss this option.

As at 30 June 2016 there was a record \$5.07 billion held in FMDs, helping over 40 000 farmers across the country to better manage their risks, such as uneven income levels and climate variability.

The changes, implemented to strengthen the FMD Scheme, have been managed by the Department of Agriculture and Water Resources, the Treasury and the Australian Taxation Office. They are part of the Australian Government's Agricultural Competitiveness White Paper, the government's plan for stronger farmers and a stronger economy.

Find out more about FMDs and these changes at [www.agriculture.gov.au/FMD](http://www.agriculture.gov.au/FMD).

## Have your say on the Lake Eyre Basin

The Australian Government will conduct a consultation process in October 2016 following the release of a draft report detailing the state of the Lake Eyre Basin.

Every 10 years an assessment of the basin's watercourses and catchments is conducted in a joint initiative of the Australian, Queensland, South Australian and Northern Territory governments.

The 2016 State of the Basin condition assessment will report on the current status of the hydrology, fish, water quality and



Thomson River, Queensland

waterbirds of the Lake Eyre Basin and on the current and emerging threats and pressures to the Basin.

“Monitoring of significant and representative aspects of the environment is the first step in bringing information to bear upon decision-making for natural resource management”, Dr Steve Morton, Chair of the Lake Eyre Basin State of the Basin Steering Committee and Chair of the Lake Eyre Basin Scientific Advisory Panel said.

“Without such data it is impossible to make fact-based assessments of trends in condition or health of the system, and leaves us making decisions in something of a vacuum,” Dr Morton said.

The State of the Basin report will be developed in consultation with the Australian, State and Territory governments along with natural resource management bodies, research institutions, Lake Eyre Basin Community Advisory Committee members, Lake Eyre Basin Scientific Advisory Panel members, communities and landholders.

“The assessment will allow everyone to consider how the Basin’s environment may or may not be changing, based on scientifically-credible information. It will

provide a vital benchmark against which progress can be assessed in future years, as well as providing a view on effectiveness of current management efforts,” Dr Morton said.

Following the release of the draft report, public consultation will be held in October 2016 in Queensland, South Australia and Northern Territory.

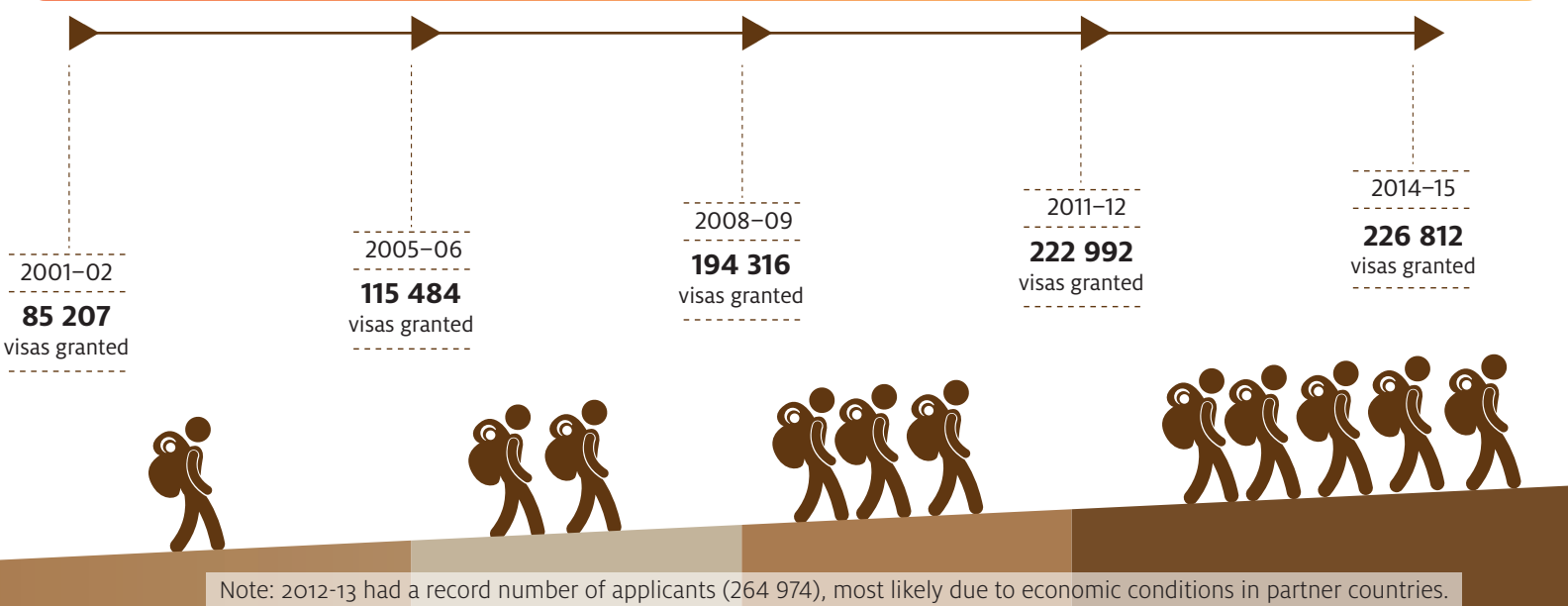
A copy of the draft report will be published on the Department of Agriculture and Water Resources website in order to obtain feedback from interested stakeholders.

One of the biggest inland drainage systems in the world, the Lake Eyre Basin spans almost one sixth of Australia at 1.2 million square meters. From Longreach to Mount Isa, Alice Springs to Broken Hill, the Lake Eyre Basin is an area of high conservational importance and home to a variety of flora and fauna.

For more information and to find out how to participate visit [www.lakeeyrebasin.gov.au](http://www.lakeeyrebasin.gov.au) and subscribe or email [lebsecretariat@agriculture.gov.au](mailto:lebsecretariat@agriculture.gov.au).



# Australia's working holiday maker programme



## Have your say on the working holiday maker visa review

The Australian Government is undertaking a review into the supply and taxation of working holiday makers and public submissions are open until 2 September.

Following a joint launch by the Deputy Prime Minister and Minister for Agriculture and Water Resources, Barnaby Joyce and the Assistant Minister to the Deputy Prime Minister, Luke Hartsuyker, the Australian Government is calling for public submissions into a review that effects seasonal, working holiday visas.

The public consultation period is open until 2 September 2016. The review's terms of reference cover five key themes:

- relative international competitiveness
- visa labour needs of the agricultural and tourism sectors
- relevant unemployment policies
- tax treatments for visa holders
- protections for vulnerable workers.

The outcomes of the review may impact Australian farmers who rely on this transient workforce.

On top of supplementing a regional workforce that contributes to agriculture and tourism, temporary visas encourage cultural exchange and closer ties between Australia and eligible countries.

The Australian Government is interested to receive submissions from persons or organisations who are able to provide evidence, examples or case studies which address the terms of reference.

Have your say by providing a public submission by 2 September 2016.

Leading the public engagement process, Deloitte Touche Tohmatsu has been appointed to spearhead the review and to independently capture views across all affected sectors.

Get involved or find out more at [www.agriculture.gov.au](http://www.agriculture.gov.au).

