



Advancing Australian Cotton

12-4-2017

Mr Rick Wilson, MP,
Chair,
Inquiry into Water Use Efficiency in Australian Agriculture,
Parliament House
Canberra

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Dear Mr Wilson and committee members,

Inquiry into water use efficiency in Australian agriculture – Additional Submission

Firstly, thank you for allowing me to accompany you on your field visits last week. I hope you found this useful in highlighting the breadth of issues that Water Use Efficiency (WUE) takes in.

I would also like to take this opportunity to rectify/clarify a statement I made, provide a slight amendment to Recommendation 2, and provide some additional information.

During my formal presentation to the Inquiry on the afternoon of Wednesday, April 4 I said:

The tax incentives that allow for accelerated depreciation for irrigation investment are, again, very important. They have been in at least for a couple of years now with a three-year accelerated depreciation.

While I stand by the substance of what I said regarding the importance of these incentives, I was incorrect in saying that the accelerated depreciation was over three-years. The full expenditure on water related infrastructure can be depreciated in the year of purchase.

I would like to make the following amendment to Cotton Australia's Recommendation 2:

Recommendation 2: That the Federal Government recognises that when environmental water recovery is deemed absolutely necessary, then the **generally** preferred way is through well designed and well-funded on and off-farm irrigation efficiency programs. However, it must also be recognized that many environmental outcomes can be best achieved through actions other than water acquisition, such as the implementation of complementary measures.

I have inserted the word "generally", just to make it clear in some very specific circumstances of environmental water recovery "buybacks" may be a preferred mechanism. These circumstances are best articulated by local organisations that are able to demonstrate that social and economic impacts are minimised through buybacks.



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During my time with you I mentioned the proposal to bring Brisbane's waste water through the Lockyer Valley and onto the Darling Downs. This proposal is in the early stages of a feasibility study funded by the Federal Governments National Water Infrastructure Fund.

Should the study demonstrate the viability of the project, then the addition of approximately 100,000 megalitres of water into the production capacity of the Lockyer Valley and Darling Downs represents another form of WUE.

As explained during your visit water is generally the limiting factor, and much of the infrastructure that supports agriculture is currently under-utilised due to the limiting factor of water.

More, and more reliable, water would allow greater utilisation of machinery, cotton gins, packing house, transport links and the like.

Cotton Australia requests that the Committee keeps itself informed on the progress of this proposal.

Finally I mentioned two programs that put the spotlight on our industry's WUE as well as many other factors. More and more users of cotton and other commodities are seeking evidence of the sustainability of their supply chains, and this of course includes WUE.

The Australia cotton industry has its own industry run, but independently audited Best Management Practice Program called *myBMP*. This program is made up of 10 modules addressing different key areas of the cotton farming business, including one focused directly on Water Management.

More information can be found here: <https://www.mybmp.com.au/>

Growers who are accredited *myBMP*, can then sell cotton (technically credits for each bale produced) as BCI (Better Cotton Initiative) cotton. BCI is an international program supported by a whole range of industry, NGO and end user organisations. BCI certification provides end users with confidence that the cotton they are supporting has been produced in a sustainable manner.

As you can imagine efficient water use is a key measure of sustainability. More information on BCI can be found at - <http://bettercotton.org/> .

I hope this additional information is useful to your Inquiry. Please do not hesitate to contact me for further information if required

Yours sincerely,

Michael Murray,
General Manager