

REPORT ON PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE NO. 5

WATER AUGMENTATION

UNCORRECTED PROOF

At Griffith on Wednesday, 1 March 2017

The Committee met at 9:30

PRESENT

The Hon. M. Veitch (Acting Chair)

The Hon. R. Colless

The P. Green

Mr S. MacDonald

The Hon. M. Mason-Cox

The Hon. P. Sharpe

The ACTING CHAIR: Good morning and welcome to the third hearing of the General Purpose Standing Committee No 5 Inquiry into the Augmentation of Water Supply for Rural and Regional New South Wales. The inquiry is examining water demand and supply; the suitability of existing water storages; flood history and technologies to mitigate flood damage; and water management practices, including for environmental water. Before I commence, I acknowledge the Wiradjuri people who are the traditional custodians of this land. I also pay respect to the Elders past and present of the Wiradjuri nation and extend that respect to other Aboriginal people present. I advise the inquiry that the Chair, the Hon. Robert Brown, is an apology for today. He has had a family matter that has taken him away from his duties here.

Today is the second of two hearings to be held in south-western New South Wales. There was a public hearing yesterday in Deniliquin. The committee has also held two other hearings for this inquiry, one in Broken Hill, and one in Sydney. Further hearings will take place in north western New South Wales in May and Sydney again in June. Today we will hear from a number of witnesses who are concerned with water supply in the Griffith area, including local councils, irrigation groups, landholders and community members.

Before we start, I would like to make some brief comments about the procedures for today's hearing. In accordance with the Broadcasting Guidelines, while members of the media may film or record committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that you must take responsibility for what you publish about the committee's proceedings. It is important to remember that Parliamentary privilege does not apply to what witnesses may say outside their evidence at the hearing and so I urge witnesses to be careful about any comments you make to the media or to others after you complete your evidence, as such comments would not be protected by Parliamentary privilege, if another person decided to take action for defamation. The guidelines for the broadcast of proceedings are available from the Secretariat.

There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In those circumstances, witnesses are advised that they can take a question on notice and provide an answer to the Secretariat within 21 days. Witnesses are advised that any messages should be delivered to committee members through the committee Secretariat. Finally, please turn off your mobile phones or at least place them on silent for the duration of the hearing. That also applies to people in the visitors' gallery.

I now welcome our first witnesses from Griffith City Council and Leeton Shire Council. Each witness please state your name and position title and swear either the oath or affirmation.

PAUL MAYTOM, Mayor of Leeton Shire Council, sworn and examined:

BRETT STONESTREET, General Manager, Griffith City Council, sworn and examined:

DINO ZAPPACOSTA, Deputy Mayor, Griffith City Council, sworn and examined:

JOHN DAL BROI, Mayor, Griffith City Council, sworn and examined:

GRAHAM GORDON, Director of Utilities, Griffith City Council, sworn and examined:

The ACTING CHAIR: Would somebody like to make a short opening statement? Try to keep it short because the members of the committee are here to ask questions and explore information contained in your submission. I will start with councillor Dal Broi because we are in the chamber of Griffith City Council and the council is hosting us today.

Mr DAL BROI: Thank you and welcome to Griffith. It is great for us as a council and together with Leeton, to present to the inquiry some of the issues that we see are affecting our area. The Murrumbidgee irrigation area was built on water and we cannot escape that. In fact, when the Murrumbidgee irrigation area, or the whole scheme was built from Burrinjuck dam, it was the biggest engineering project in the world at the time and that concept is still with us today. There has been much improvement but it is still with us today and it is still working. I suppose, without being overly dramatic—and I am an irrigator and the deputy mayor is an irrigator—I have been an irrigator all my life and so has Mr Zappacosta and I live with water and know a little about it. I get concerned when some bureaucrats try to convince me that water can run uphill—and they have tried it.

The biggest threat in all my years as an irrigator has been the Murray-Darling Basin Plan. We are concerned that the plan really attacks this area because we did have a fair abundance of water and we are the largest contributor to the plan by the loss of water. We have lost water through efficiency programs and we have lost it through sale, where farmers were struggling and had to sell their water to remain afloat, if you like. I am going to leave it there because I have a lot more that I wish to say but the Deputy Mayor, the General Manager and Mr Gordon will hone in on particular areas. I do not know if it is the right time now, but I would like to talk about some of the rules and regulations that surround water trading, carry over in this area. So I leave that up to you, Mr Chair, whether I do that now or later.

The ACTING CHAIR: I think, Councillor Dal Broi, that will be picked up in a lot of the questioning from the committee members. So if we could hold there, we will explore that in more detail.

Mr DAL BROI: Okay, thank you.

The ACTING CHAIR: Councillor Maytom.

Mr MAYTOM: Good morning to the members of the General Purpose Standing Committee No. 5. Thank you for opportunity to speak to Leeton Shire Council's submission to the inquiry. My name is Paul Maytom and I am the mayor of Leeton Shire Council. Today I address you in the capacity as mayor but I would also like to mention that I am the chairman of the Murray-Darling Association Region 9. That is another title that I have. I am also a member of the NSW Office of Environment and Heritage [OEH] Murrumbidgee Environmental Water Advisory Group. The Leeton Local Government Area covers an area of 1,167 square kilometres and has a population of 11,500. It is the second largest regional centre in the Western Riverina and is an immediate neighbour to Griffith. Leeton Shire is the birthplace of the Murrumbidgee Irrigation Area.

The Shire's gross domestic product in 2016 was \$527 million and this is forecast to grow as we strive to increase food production to feed domestic and global demand. Our industries generate significant numbers of jobs—close to 5,800—20 per cent of which are in the processing sector. Major industries in Leeton Shire include rice, cotton, walnuts, citrus, grapes and beef. Every year 18,000 containers of value-added product are transported from Leeton to the ports. I cannot emphasise strongly enough that Leeton and the Western Riverina are important contributors to the nation's wealth through valuable export earnings. It is abundantly clear that water is our region's lifeblood, and agriculture and agricultural processing are integral to Leeton's social, economic and cultural wellbeing.

We applaud government investment over the years in enabling infrastructure, including vitally important water infrastructure. Leeton Shire recommends that this investment should be continued, to ensure water infrastructure is capable of optimising agricultural yield without impacting on the wellbeing of communities or the environment. Leeton Shire recommends a long-term plan on water sustainability for regional and rural New South Wales that puts the needs of local communities first while also ensuring environmental sustainability.

Leeton is pleased that a review of water-sharing plans is finally underway. Again, any new water-sharing plans must be based on science that has been rigorously tested—not politics—and must be closely linked with the Australian Agricultural Competitiveness white paper. The review needs to acknowledge that the rules were put in place to meet environmental needs prior to the recovery of significant volumes of held entitlements for environmental use, by the likes of the Commonwealth Environmental Water Holder and the Office of Environment and Heritage. We applaud Minister Niall Blair, Minister for Regional Water, for ordering a review of translucent flows.

Just as we expect irrigators to be efficient managers of water, so too is it critical that the management and use of environmental water is optimised to ensure it is used efficiently and at minimum cost. Furthermore, any improvements achieved in environmental water-use efficiency must be adequately captured as a supply measure—water recovery offset—under the basin plan. There is generally support for inter-valley transfers to continue as part of the open water market, but it is essential that caps remain in place to prevent imbalances in valley water accounts.

Leeton Shire Council supports the continuation of carry-over water as a significant risk management tool for irrigators, to overcome between-season allocation variability and to maximise their production. Carry-over must remain a characteristic of general security water entitlements, regardless of who holds the licence, to ensure the integrity of water access licences as a property right, and maximise the utilisation of available water each year. Leeton Shire Council considers it worthwhile investigating whether existing storages will have the capacity and capability to continue to meet the needs of downstream users into the future and whether modifications to existing storage facilities could improve the supply and delivery of water. We reiterate that decisions must be based on good science and comprehensive cost-benefit analyses—not politics. I will leave it at that.

The ACTING CHAIR: Would it be possible for you to hand up the prepared opening statement? It would assist Hansard no end, and they will love you forever. Your words will be quite polished tomorrow when you read the transcript. As the chair, I get the first line of questioning, which is always a beautiful thing. I want to talk about water-sharing plans. Councillor Maytom, you commented in your opening statement about water-sharing plans. We have heard some concerns about the consultation process in the development of the original water-sharing plans. There is also some concern about moving to the water-resources plans. Could you give us a general comment to start with, regarding water-sharing plans and your views about the good and the bad of those. Then tell us what you would like to see in a water resource plan.

Mr MAYTOM: I do not have the absolute detail on that. The concerns that we have are that in the original water-sharing plan—I think it was supplied in 2014—and with the changes to the Murray Darling Basin plan, we want to have some degree of certainty that the links into the water-sharing plans and the basin plan are effective. If they are overlapping, we have to make sure the outcome is designed on the water-sharing plan. I supported the water-sharing plans as a good tool, initially. Then, with the Murray Darling Basin plan coming into action we just want to make sure that we capture the good things within the water-sharing plan and roll that out within the Murray Darling Basin plan. That is probably a broad statement.

Mr ZAPPACOSTA: I thank the whole Committee for being here in Griffith. The question is a good one—the sharing of our precious water. I had a working party of Griffith City Council which was called Build More Dams. For the last eight or 10 years I have been very worried about how much water we actually have in New South Wales and how much water is required for all the irrigators throughout the whole State. How can we progress? I am conscious of the fact that when we went through the 10-year millennium drought, something had to be done regarding sharing the water equitably throughout the whole Murray Darling Basin. What concerned me more than anything was that we were going to share a very limited resource, and that this resource is coming from the dams that have been built over the last 100-odd years or the last 40 or 50 years. How can we grow the economy and grow inland New South Wales if we do not have a suitable amount of water?

The issue that my committee, Build More Dams, has looked at is that we need more water because farmers are crying out for more water. We need new water. By "new water", I mean water that is not currently being used at all. We looked at various options, including the Clarence Valley area, where millions and millions of megalitres of water flow out into the sea for what seems to be no real benefit at all for the community of the Clarence region, other than for the natural farming land and the fishery industry there. Mr David Coffey, who, by the way, is 90 years old and is very articulate and healthy, has given us a lot of information regarding his scheme, which we present to you in the booklet form he has recently published. He, today, is keener than he was 30-odd years ago, when he carried out this feasibility study. His idea is to divert water from the Clarence—pick the water up from the various tributaries of the Clarence; not down in the low areas but in the higher areas—and channel it into dams and then pipe it through the Great Dividing Range into the western areas.

Until he came up with this scheme, people have been poo-pooing the idea of putting water inland because it meant you had to pump water over the mountains and inland. Pumping that water would have created a whole lot of expense. His idea is to pipe it through. When we look at the amount of piping and tunnelling that is being done today in Sydney alone—the tunnels to alleviate the problems of the Harbour Bridge and the extra tunnels of WestConnex—it is obvious that it would be quite easy to build tunnels through the mountains. The committee has looked at the scheme and we see no reason at all why we cannot get more, new water to distribute as a sharing plan. At the moment it is very limited, and there is no room for growth, as we have seen over the last many years. Fortunately this year farmers have had a 100 per cent allocation, which is fine, but over the past several years they have been restricted and restricted. We are looking at how we can overcome it and build the country.

Mr DAL BROI: Within the water-sharing plans there are many aspects of water—including water trading and carry-over water, as Councillor Maytom mentioned. What is of great concern for me—I am not sure whether Committee members have caught up with this example—is what happened last week, when trade was opened between the Murrumbidgee and the Murray. There was 15,000 megalitres to be traded across the valley. One trader picked it up. He was well within the rules, but he purchased the water in the Murrumbidgee, in his wife's name, for \$20 a megalitre. He sold it for \$35 a megalitre.

Is water all about making profits for brokers or is it about irrigation? This broker made nearly a quarter of a million dollars in a few minutes. I thought that when we are trading water between valleys, why can't I as an irrigator sell it to somebody in the Murray? I might be able to sell it more cheaply than \$35.00. I mean, you can't do it. How makes the decision that the trade is open? How do they know? Most of us walked around gobsmacked for the day and say, "How did that happen?" I know that carryover is a tool that can be utilised but it is also abused. Carryover by individual irrigators for general security at 30 per cent, not a problem. A lot of people say it is an insurance aspect of it, you top up your account at the end of the financial year.

This year a lot of farmers paid out a lot of money to top up their accounts, but once the allocation reached 100 per cent bang, they did it. I am talking about the average irrigator, not the huge corporate companies that have the funds to be able to top up their accounts and spend many, many thousands of dollars to do that. I worry about the—and I am one—rice grower who grows a couple of rice crops. He cannot afford to go out and spend \$50,000 or \$60,000 to top up his account so that he has water to start next year. The Commonwealth environmental water holder, holds 2.5 million megalitres of water and he is entitled to carry over 30 per cent. So when you start having that reserve in a dam it is little wonder that when we start an irrigation season, with all that committed carryover, farmers start maybe with five or 10 per cent in July and they hope that will increase to grow crops.

This year there has been 100 per cent. You drive around this area and there is a feeling of positiveness—farmers have grown their groups, they have expanded their cotton, they have grown their rice and there has been a bit of water trading because some have had excess water. That is fine, but I believe some of the rules around carryover and water trading need to be closely looked at so that the genuine irrigator is not disadvantaged. I would like to circulate, with the permission of the Chair, a document but it is not very complicated—sorry, it is complicated for the poor average farmer—to do with supplementary water. A farmer went to our local Murrumbidgee irrigation and inquired how to get access to supplementary water. He was given an answer. I will circulate this and I will challenge anyone of the panel to understand it. All the irrigators and farmers want to do is work the farm. They are not into the finer detail of all the rules and regulations that exist around the various areas of water, water trading, et cetera. I will leave it there for now and I would invite the general manager to also comment. Has this been circulated, Mr Chairman?

The ACTING CHAIR: Yes. Mr Stonestreet, do wish to add anything to the mayor's comments?

Mr STONESTREET: Yes, I do. I would like to pick up on Councillor Zappacosta's question in terms of the Clarence diversion strategy but I would like to take a step back from that. Australia is lacking a population settlement strategy, and that flows down to New South Wales. New South Wales does not have a strategy for population growth across this State for the next 50 years. What we have is a Department of Planning, and I will be frank, that takes existing population statistics and projects those trends out into the future so that they become a self-fulfilling prophecy. There is a 100,000 additional population per annum that is flowing into or growing in New South Wales, and 85,000 of that 100,000 are settling in Sydney—that is, 85,000 each and every year. That is the population of Wagga and Griffith combined every year flowing into Sydney. That creates congestion and that congestion is manifesting itself now.

There is no more room for roads so we put a WestConnex underneath existing residences at a cost of \$20 billion. We pump 385,000 megalitres of only primary treated sewage out into the ocean and let the ocean look after it, and the reason we are given that that can happen is because of a high dispersal rate because there is

a lot of water. Costs such as that are not included in what I would term as "cost of congestion". There needs to be a target set for this State and the nation as to how we want population to be spread over the next several decades, and then put into place strategies to get there. The suggestion that Councillor Zappacosta had with respect to new water—in other words, the Clarence tributary diversion option or strategy—absolutely it is time in this State's history to be looked at again.

The Murray-Darling Basin Plan has spent the last 10 years looking at the existing yield of water in the basin—old water, existing water. We can talk extensively about how that is divided up between environmental, social and economic outcomes. That is certainly a big issue that will be debated or put to the Committee today about the imbalance of that. My point, along with Councillor Zappacosta, is that we need new water. The Clarence scheme that was investigated back in the 1970s—there was a costing done in 1981 or 1982 but it has been shelved since then—provides new water. Not only does it provide new water to give this State another shot in the arm and economic potential to feed the growing middle class in Asia over the course of this century, but it also looks at potentially reducing the flooding impact of the coastal communities adjacent to the Clarence by 25 per cent.

Flooding is a major issue in this State every year, and the taxpayer picks up and the private sector picks up millions of dollars per year. So 25 per cent can be reduced in that flooding impact. There is a huge amount of money that can be generated and inland communities rediscovered and regenerated through new water. Not to mention the hydroelectric opportunities for power generation, and we know what is happening at the Federal level at the moment in terms of our energy challenge into the future. I would like to leave that with you and I think Mr Gordon might be able to give a few more details about the impacts of the Clarence tributary project.

Mr GORDON: The water augmentation issue and the additional new water discussed by Councillor Zappacosta, the mayor and the general manager has certainly been covered. Flowing on from that is the issue relating to flooding, as the general manager alluded to. Griffith with our semi-arid conditions is not immune to flooding. We have had our share; four major floods in our 100 year history—1931, 1956, 1989 and the worse being in 2012, which had an impact on our community of in excess of \$90 million. More than 400 or 500 homes were flooded for a long period of time due to our flat terrain and inability for that water to get away quickly. The year 2016 saw our wettest winter on record. So the smaller rainfall events accumulated into flooding impacts not just in the Griffith local area but right through the whole catchment of Bullatale Creek—from Ardlethan to Carrathool.

The impact on not only homes but farms—the loss to rural areas from that flooding, that continual water coming through—is something that this council has a priority to mitigate. We need to protect those homes and farms. There is a funding stream through the Office of Environment and Heritage. There is a process we go through, using the *Floodplain Development Manual*. We do our research and studies. We model the events of the past and go forward with mitigation options that require funding, not to remove the flooding problems but to mitigate them as best we can. We do not want to push the problem into another area. That is a great State Government program. There is a lot of expertise there. There is not a lot of funding behind it; it is less than \$10 million a year. As it is a rolling program, a lot of the funding is already committed year after year to priority areas along the river. There are levees that need to be built and continually improved, extended and enlarged. The Griffith area, being semi-arid and not having a main river running through it, is competing with other places in the State for funding to alleviate problems and fund our flood mitigation.

Floodplain Management Australia has reported that flooding is the most costly yet most manageable of natural disasters in Australia. The damage and destruction caused by flooding is estimated to cost Australia around \$550 million a year. That \$550 million a year in damage from flood events is due to communities having to be reactive in fixing the problems. Finding solutions and being proactive would be more cost-effective than spending \$550 million a year to fix the disasters caused by Mother Nature. Given that this hearing is being held in Griffith, it would be expected that I would push the idea that Griffith needs more money for flood mitigation options. Certainly we do. I do not want that to be ignored. We are going through the OEH process to achieve cost-effective solutions to protect the community of Griffith and the surrounding areas. We are working with our neighbours to understand and mitigate the problems so that they are not pushed out of our shire and into other areas.

As an engineer I see the great benefits of supporting a scheme such as the Clarence River diversion scheme, not only from a water augmentation point of view. My directorate covers water supply as well as the flooding impacts caused by rainfall run-off. The Clarence River diversion scheme is not only a supply scheme but a flood mitigation solution, as the general manager mentioned. In my research I have referred to the document entitled *Lower Clarence Flood Model—Update 2013* produced by BMT WBM consultants. They happen to be the same consultants who undertook our flood study and provided our flood mitigation options. They work across the State and they are well versed in flooding, from the Northern Rivers down to our area.

The Clarence River catchment on the far North Coast of New South Wales is one of the largest catchments on the east coast of Australia. It is approximately 20,000 square kilometres. It is above the towns of Grafton, Maclean and Yamba, and it is home to more than 20,000 people. The lower Clarence Valley has a long history of flooding, since settlement in about 1850. Bear with me as I read out the dates of the flooding events. I was just going to say a number, but it has more of an impact when you follow the years of flooding that the area has endured due to the large catchment that sits above it. Floods were recorded in 1863 and 1864. There was a record flood in 1890 in which two people lost their lives and there was extensive damage to the rural area. Further floods occurred in 1921 and 1928. Since 1945 the incidence of major flooding has been much higher, with floods occurring in 1945, 1946, 1948, 1950, 1954, 1956, 1959, 1963, 1967, 1968, 1974, 1976, 1980, 1988, 1996, 2001, 2009 and 2013. There is a regular occurrence of extreme flooding in the Northern Rivers catchment, below the Clarence River.

Section 4.4 of the *Lower Clarence Flood Model—Update 2013* acknowledges that "the river flows originating from upstream of Grafton dominate flooding in the Lower Clarence Valley". Diversion of the Clarence River flows for that area towards the west, and the 25 per cent or 23.8 per cent that will be captured, diverted and controlled, will be of great benefit to flood mitigation in the Northern Rivers area. The document further says that it will maximise the investment from the Government not only to help solve water augmentation issues but to reduce the financial and human impacts flooding has in the northern coastal areas. The Clarence River diversion scheme was documented in 1981 by David Coffey and he estimated costings back then. We have done a projection to a present-day cost of approximately \$10 billion. There are statistics on the map that I have provided to the Committee.

The Snowy Mountains scheme would have cost \$10 billion in present-day money, so there are similar costings in the schemes. The 1,100 gigalitres diverted per annum from the Clarence River has generated \$1.82 billion in agriculture. The scheme means that 23.8 per cent of the flows that would be heading down to flood people can be diverted. When you equate the \$550 million a year in flood damages with the cost of a diversion scheme, 1,100 gigalitres can generate \$1.8 billion a year in agriculture growth. The additional water means that 118,000 hectares of viable open country can be farmed. The offset of diversion and flood protection is that it is beneficial to all. That is where I will leave it.

The ACTING CHAIR: Thank you. The Committee has questions about water sharing plans for the Murrumbidgee. This is just a tip: there are six Committee members. If you keep making such long statements we will not have the opportunity to ask our questions, gentlemen. If you have detailed answers, my suggestion is that you give a précis and take the question on notice so that you can provide detail to us in writing. Otherwise the Committee members will not have time to ask their questions. As a courtesy, if you have a detailed answer please take the question on notice and provide the response in writing. The Committee members will get more benefit from the information if you do that.

The Hon. RICK COLLESS: You have been talking about the Clarence River diversion scheme. Is it correct that that is essentially restricted to the Mann River subcatchment?

Mr ZAPPACOSTA: To the best of my knowledge, it covers most of the tributaries—for example, the Boyd River, the Mann River, the Nymboida River and the Timbarra River. They are highlighted on map 2, which was provided to the Committee.

The Hon. RICK COLLESS: I am a little confused about the way the map reads. It appears as though the water is coming out of the Mann River catchment, which is a subcatchment of the Clarence. The divisions appear to be above the confluence of the Nymboida and the Mann. You recommend a 23 per cent Clarence River diversion, but the question is: What percentage of is that of the Mann River flow and what environmental impact will that have on the Mann River below where it is diverted? We should keep in mind the history of the Snowy River and what has happened there over the past 50 years. Does anybody have any thoughts about that?

Mr ZAPPACOSTA: I will have to take on notice exactly how much comes from the Mann River itself.

The Hon. RICK COLLESS: What is the reduction in flow from the sub-catchment rivers below where the water is diverted from them? What environmental impacts will that have on those rivers?

Mr ZAPPACOSTA: I appreciate the question. I think what you are asking is something we should dig into a bit deeper; there should be a study of it, preferably a feasibility study.

The Hon. RICK COLLESS: There needs to be a lot of work done on this, as you would appreciate.

Mr ZAPPACOSTA: Definitely. David Coffey's report, whilst it is very detailed in some areas, needs to be fine tuned. He talks about the damming of various rivers and joining them with tunnels at a level high enough to tunnel it back inland.

The Hon. RICK COLLESS: I understand the concept.

Mr ZAPPACOSTA: There has to be more work done on it. A committee member of mine, who is sitting in the gallery, Peter Ryrie, knows the area fairly well. He plans to go there fairly soon, and in fact has spoken to David Coffey himself in the past year, as I have too. David is quite happy to give us as much detail as possible. It requires a personal visit.

The Hon. RICK COLLESS: I understand the support for this proposal across all the western rivers, but of course the level of support from the east-flowing rivers is non-existent. One of the biggest challenges you will face is trying to sell this concept to the people of Grafton and the east coast in general.

Mr ZAPPACOSTA: I accept that. There has been a bit of reaction from the local members in that area. I will admit it is a very touchy area. However, looking at the support for the scheme I can only look at the support it has received in the past. It goes way back to when the Queensland Government moved a motion that there should be more study into the scheme. It is on the *Hansard* from 26 March 1985. Malcolm Fraser commissioned a study back in 1983, but when the Hawke Government came in, they did not want to know anything about it. Ian Causley, the local member, made a statement: "We have to get away from selfish attitudes that this water is in our backyard and it is ours". It is not ours, because it is in our backyard. Of course Earle Page went on and on about the benefits to the region.

We have written reports of support from the Bourke Shire Council, the Western Division Councils of NSW—from Wentworth all the way up—RAMROC, Northern Rivers Regional Organisation of Councils [NOROC] and the Murray Darling Association, which met in Dubbo last year. There are motion was moved by the council of Coorong in South Australia, in which it is strongly suggested we should have a look at the Clarence diversion. Obviously they want as much water as possible to come to Coorong. That is all the support I can table today. The support seems to be coming from far and wide.

The Hon. RICK COLLESS: Mr Maytom, you mentioned the Murray Darling Association. Please give us a quick overview of the association's role.

Mr MAYTOM: The association covers the basin from Queensland right through to South Australia. We have positions for 12 chairs. In effect we act as a lobbying group to try to gather information right throughout the basin so as we have exactly what you are saying in relation to the impacts all the way through. We try to validate an issue—if there is a real issue in South Australia, say, we are taking all the water here, we have to work with the chairs, of whom I am one, to outline what we can do collectively to try to get a better outcome. As Griffith was saying, they are looking for more water. Of course, South Australia is also looking for more water. Our association has well over 100 council members, so we lobby on behalf of those groups. I was in South Australia the other day trying to work along the same lines as Griffith council to see what we can do better to try to ensure that we have more water available in the system, so there is more accountability, and not just remove the barrages. We look at what we can do better.

This is an idea that Griffith council's Build More Dams Committee is exploring to see whether there is an opportunity. Of course there is a big cost and of course it will have implications. Of course there are those against it. My position as chair is just like that, because I have to work with all the chairs of the different regions to try to gather in information to see if we can work on some sort of business plan to best work with the Murray-Darling Basin plan rollout to get the best result. In passing, for two years I was on the Lake Coolah committee at the Narrandera Shire Council. In effect, we have come to the end of the road because clearly there is no water available, unless it rains, for Lake Coolah. In essence the NSW Irrigators Council and Water NSW simply say it is a non-event, it cannot happen. Yet we had the Minister, Barnaby Joyce, meet with Griffith, Leeton and Narrandera at the site. There were headlines in the paper that there was a great chance it was going to happen.

We need to get away from this. We need to look at what we can do realistically. If there is some possibility to do something to get more water into the system, we should be level-headed and constructively try to work towards getting something to happen, rather than having something we would like to happen. That is the aim of the Murray Darling Association, to get our heads together to try to understand what is being said. We have to be more mature in how we manage through this. We can, but we need to look at every available option to try to bring more water into the system. I agree many savings have been achieved through the Private infrastructure operators Program [PioPP] funding, on-farm and off-farm efficiencies, on-river storage, off-river storage, and effectively more efficiencies in the use of water for agricultural irrigation.

A lot of things are happening, and we have the greatest opportunity now to gather in information, whether it be diversion from the Clarence or another storage. But again it must have a basis. You must have the ability to have it happen, spend the money and see a cost-benefit analysis. It has to be rolled out and looked at over 10 years or 20 years and beyond. We need to look at what we need to spend, how effective it will be and whether it can happen. That is my belief, and that is why the Murray Darling Association is important. We collectively are getting the views of others throughout the basin to come up with what we consider to be a plan that may give hope and more water into the future.

The Hon. RICK COLLESS: You raised the issue of the management of the Lower Lakes a minute ago. I can only imagine that there are interesting discussions in the association in relation to the management of the Lower Lakes, given the preponderance of views in New South Wales and Victoria that the management of the lakes should be dramatically changed. Would you like to comment on that?

Mr MAYTOM: Yes. Quite clearly it is highly unlikely that the barrages will be removed, but it is highly likely that efficiencies can be gained by improving how the barrages work. Those are the areas we need to look at: what can happen realistically against what we would like to think will happen. There is some concern at our end about the South Australian end. However, we say to South Australia, "Try to show us what you can do". They are developing plans to see what they can do to improve the efficiency within the system, so that for the water that goes down the river that we believe is being wasted in going out to sea, they can show us the real benefits. We want to see the evaluation and monitoring of the system. I know there is a lot of good information out there, but if we sit in our individual groups we will not go anywhere. The Murray-Darling Basin stretches over a big area, and it affects many people.

The Hon. PENNY SHARPE: I wish to follow up on the Clarence River diversion scheme. What is the status of the report you presented to the committee? Is it before Water NSW? Is it before the Murray-Darling Basin Authority?

Mr ZAPPACOSTA: It is being presented to the State water Minister, the Federal water Minister and local members. At this stage my committee is still working on getting further meetings with the Ministers. The State Minister, Niall Blair, is in charge of the department and we hope you will get comment from his department regarding this proposal as well. We are doing everything we think we should be doing politically to get the message out there that it should be investigated.

The Hon. PENNY SHARPE: What feedback have you had to date on the plan?

Mr ZAPPACOSTA: To date have not had any feedback at all, other than the fact it has been received, "We are looking at it and we will get back to you." It has only been for the last, I think ten, twelve months.

The Hon. PENNY SHARPE: This has been around for 33 years.

Mr ZAPPACOSTA: Since we have put our proposal to the ministers, what feedback have we had from the ministers themselves?

The Hon. PENNY SHARPE: Yes, and the departments, if any.

Mr ZAPPACOSTA: Directly to my committee, we have not received any feedback as yet.

The Hon. PENNY SHARPE: What discussions have you had with the eastern councils in relation to this?

Mr ZAPPACOSTA: Our next program was to approach the eastern coastline. We have approached all the western coastline because we understood they were the beneficiaries of this scheme. The eastern councils is the program we will be going into, writing to all the councils, the members of Parliament [MPs] and trying to have a program where we will start spreading the word. The immediate reaction from Grafton, of course, was, "If you want our water you can buy it at \$2 a bottle."

The Hon. PENNY SHARPE: You have some way to go to build a bit of support there.

Mr ZAPPACOSTA: And hence I said to you Ian Causley was saying, "Don't think it is your water because it is in your backyard."

The Hon. PENNY SHARPE: I wanted to raise a different issue, which is in your submission, and get your comment on the return flow policy, where you talk about the re-crediting of water that is returned after being extracted under licence. Your submission says that under section 75 of the Water Management Act there is a provision to do this but it has not been enacted to date. I am wondering if you could explain a bit more about that to me and provide information to the committee about why you think this has not occurred?

Mr DAL BROI: This was a submission that council commissioned and I must admit I am not fully up to speed.

The Hon. PENNY SHARPE: You can take it on notice and if you have other information that will be fine.

Mr DAL BROI: I think I will. We will get back to you on that.

The Hon. PENNY SHARPE: I am interested, if you have prepared a submission and you can provide it to the committee that would be very useful.

Mr DAL BROI: There are other presenters this afternoon.

The Hon. PENNY SHARPE: Just take it on notice. I have more questions. That is fine.

Mr DAL BROI: I think there are some members in the gallery who are playing funny games.

The Hon. PENNY SHARPE: Mr Stonestreet, I was interested in your comments about population planning, and I have to say I think there is a real gap there. Those figures you quoted are absolutely right in terms of what New South Wales is trying to cope with and what that is generating, particularly in Sydney, but the impacts further afield. I am not sure it is clear in your submission, the population projections that you are preparing, whether you have been able to match the water requirements to meet those, if it was business as usual or if we did look at things like better recycling. I agree with you that the idea about new water needs to be explored. I am wondering if you have any extra modelling for that, that you can provide to the committee? I think some of it is covered in your submission, but I thought drawing attention to population and water beyond feeding people and managing that is something I am interested in hearing from you about.

Mr STONESTREET: I have not done any research into the future, I suppose timeline, for the likes of raising the height of the Warragamba Dam wall, for instance. I have heard of media commentary in the last probably twelve months that is likely to be a requirement in years to come but I have not done any research on that. I am more than happy to take that on notice and research what I can.

The Hon. PENNY SHARPE: It is more I wondered whether that work had been done and you can provide it. If you are happy to give me it as well, that would be terrific.

Mr STONESTREET: We will research what we can.

The Hon. PENNY SHARPE: Thank you very much.

The ACTING CHAIR: I will hand the baton over to Mr Paul Green.

The Hon. PAUL GREEN: It is a very good point though, if we want decentralisation we need more water, not only just for that but for productivity. I was going to ask the same type of question because you have got "build more dams", which obviously is a thought. We need to know, certainly as a committee, where is the threshold when all the best practices and what we are using now runs out and does not meet that demand, because that is the story here. We need a harbour bridge moment with this new water. It is just not going to happen unless someone makes some tough decisions. Is that true? With the Clarence River, it is a big argument we hear, but it is a harbour bridge moment, if we do not do it we are virtually stuffed through New South Wales productively population-wise. Do you want to make any comment on that?

Mr ZAPPACOSTA: I think it is a great question. People have asked me and asked my committee why are you involved when we are not going to get any water from the Clarence into Griffith. Why? The simple answer is any water that goes down the Darling is going to be pressure off the Murrumbidgee, off us. So we may be able to have more access to more water. At the moment the high security farmers have had to give up 5 per cent of their allocation. This has been going on for the last 10-odd years. The general security, they have given up 15 per cent of their allocation, just straight back to environment, in effect the Government environment. The question is a very good question and so I think it should be pursued.

The Hon. PAUL GREEN: It comes down to other things that challenge the State, such as housing affordability, decentralisation. We have all these homesteads nearly going empty because of the unpredictable use of water supply. Can I ask another question then in terms of water sharing plans? How are you finding the rules and the guidelines, are they overburdening or are they helpful? Do they need changing, reviewing?

Mr DAL BROI: They need changing.

The Hon. PAUL GREEN: Can you maybe give us some insight of what is good or bad about them and what they are?

Mr DAL BROI: I thought I outlined some of them, particularly where the average, I am talking about the average irrigator has difficulty understanding the water sharing plans.

The Hon. PENNY SHARPE: What do you mean by the "average irrigator"?

Mr DAL BROI: The ordinary farmer who is not involved in agripolitics has difficulty in coming to terms with water sharing plans. They know they have an allocation and they are hanging on tenterhooks each year wanting to know what their allocation is. This year they have relaxed, they have 100 per cent, talking about general security. High security gets 100 per cent or 95 per cent of the cost goes towards the environment. So we get 95 per cent. I have put down around that supplementary water, and the formula to understand that—this was given to me (indicated a document tabled to the committee earlier) by who I thought was quite an intelligent farmer. If you read it about a dozen times you can get your head around it.

They are the sort of complicated rules around the whole water sharing plan. It has to be simplified. I am not suggesting for one minute that the irrigators need the lot, we have to talk about the equitable triple bottom line, absolutely, we accept that. It is difficult for the average irrigator, and some of them of course are from migrant backgrounds. They would not understand water sharing plans. I admit that I am probably one of them. I get my allocation, I know that if I need water I have to go out there and purchase it. I get very cranky, as I said earlier, when I know there are people out there who are rorting the system, whether it is carry over or whether they are water trading. And it is happening.

The Hon. PAUL GREEN: I draw your attention to page 26 of your submission, where you say the reporting of inter-valley transfers should be transparent. Can you tell us in which way they are not transparent?

Mr DAL BROI: I thought I had mentioned it earlier. For example, nobody knew about the trade that happened only last week. I am sure that most irrigators did not know when the announcement was going to be made that the trade was going to be open between the Murrumbidgee and the Murray. That is why a lot of people are using brokers, because it is their job, I suspect. I do not mind that so much, but when one individual broker locks up the whole lot, is it a business or is the water there for irrigators? As I said earlier, this broker made a quarter of a million dollars that technically should be for the irrigation industry. If I were a farmer and I had excess water, why can I not sell it to someone in the Murray? Because it is too damn complicated. I tell you: Farmers just do not have the time to sit behind a computer 24/7 to say, "Okay, it's going to happen. Bang!" They cannot do it. That is a trader. Those rules have got to be more transparent and relaxed. I am not here to suggest how, but it certainly has to happen.

The Hon. PAUL GREEN: Mr Maytom, in your opening remarks you mentioned translucent flows. Can you walk us through some of those issues?

Mr MAYTOM: If you ask the average person on the street, as Mr Dal Broi, Mayor of Griffith, has said, they simply think it is a waste of water going through the system. I know that there are rules that have been put in place. I understand the rule was put in place to actually create or mimic a natural event, so that as that water is coming in there is going to be a certain proportion of water being released at a certain period of time. What we believe is that the Murray-Darling Basin Plan and the rollout of the plan has not been factored into the new plan with the translucent flows.

We have asked the Minister, Niall Blair, to follow through and he has agreed to follow through to give us a better understanding, because even in my role as the Murray Darling Association Chair, when I was in Canberra talking about it I had people down Balranald way saying, "We want it to happen, because it gives us water, like supplementary water coming through the system that we can actually tap into." I think there needs to be a whole lot of clarity that we need to understand about the translucent flows, the real need and, if you like, the benefit or the negative impact it would have if we did not have the translucent flows. We just want a better handle on it and a better understanding of whether there are any water savings that can be achieved by some review of those translucent flows.

The Hon. MATTHEW MASON-COX: I thank the witnesses for their very good, detailed submissions. Mr Maytom, are you perhaps suggesting that we look at those translucent flows being accounted for as environmental flows to the system so that we can reallocate environmental water to productive use? Does that underpin what you are saying?

Mr MAYTOM: Yes, that is right. Clearly there is a need for that water to go through the system for the environment. However, there are opportunities, I believe, that irrigators could and do pick up from that. However, there are many irrigators who do not. They get no net benefit from it at all. They cannot even get the water or store the water on their farms. We just need to understand some system that is going to get a better outcome for the region if we have to have translucent flows. Can they be managed better?

The Hon. MATTHEW MASON-COX: I return to the Clarence River diversion scheme. You have done some wonderful work there. Mr Zappacosta, can you explain who is on your committee?

Mr ZAPPACOSTA: Certainly. The committee consists of community members, people who would like to have an input into—

The Hon. MATTHEW MASON-COX: In Griffith?

Mr ZAPPACOSTA: In Griffith, Leeton, Narrandera. It spreads out to two or three council areas. Basically anyone is invited to come along.

The Hon. MATTHEW MASON-COX: In your submission you mentioned an option to increase the height of Burrinjuck Dam by up to 40 metres. Have you done any work in relation to that proposal?

Mr ZAPPACOSTA: My committee came across this only a few months ago and apparently there is not much that we were able to get hold of, other than some facts and figures which we can supply to you. But no, there has not been very much. It has been talked about and apparently it can get some leaks and wood tracks on it.

The Hon. MATTHEW MASON-COX: From what you are saying, doing that is likely to triple the capacity of Burrinjuck Dam. Would that mean building on the existing wall or creating a new wall in front of it?

Mr ZAPPACOSTA: I believe it is basically a new wall.

Mr DAL BROI: To add to that, I think the original design of the wall was much higher and when they started to build it—I do not know for what reason—they decided to bring it back down. Again, as with the Clarence scheme, this scheme is all about new water. We believe that the only way we will be able to improve the production in all the Murrumbidgee irrigation area is to have new water.

The Hon. MATTHEW MASON-COX: You are saying that it is really all about changing the Murray-Darling Basin Plan by bringing in new water to subvert the current restrictions that are limiting growth in cities like Griffith.

Mr ZAPPACOSTA: There are no new licences issued throughout the whole of New South Wales. If a person wanted to buy a block of land and applied to State Water for a licence to use water, there are none. How are we going to develop the country, other than more water? There are no new licences issued, end of story. What is issued at the moment is not being used up.

Mr SCOT MacDONALD: I return to page 21 of your submission and the rules-based environmental water of five per cent contributed by high security and 15 by general security. It sounds as if you have had similar frustrations to me in trying to get to the bottom of it, but at the end of the day we have to make recommendations. Perhaps you will consider coming back to us on this. I am concerned that when we review this environmental water it will be lost in the rough-and-tumble of the water sharing plan, so I wondered if you would support a separate recommendation or review of the rules-based environmental water.

The request for review would go towards the transparency, the efficacy, the equity and the environmental outcomes of it, because I cannot see any of that in the water that was taken away 10 years ago. There was a promised review, from what I can work out, as you have alluded to in your submission. There was no compensation; it was voluntary. I understand that the water access licence holders continue to pay fixed charges. At the end of the day, we have to make recommendations and this one is going to get pushed under the carpet if it is mixed up in the upcoming general review of the water resource plans which is now two years overdue.

Mr DAL BROI: We will do it. I think it may be longer than 10 years that we have been contributing. I am a high-security water holder, and at one stage I held up to 2,000 megs and was contributing five per cent of that each year to the environment.

The Hon. MATTHEW MASON-COX: I think this happened around 2002, but I am happy to be corrected. What consultation went on? The Office of Environment and Heritage tells us that it spoke to irrigators and the irrigators happily, willingly and joyfully gave up five per cent of high security and 15 per cent of general security with big smiles on their faces.

Mr DAL BROI: Yes, we did. We probably would not do it now, but at the time we did because there was a lot of pressure that, as rice growers, the implication was that we were using a lot of water and that we should look after the environment. So we did it voluntarily, absolutely, and, as you said, even though we surrendered at 5 per cent we still pay all the charges on 100 per cent. So it has cost us money, and also we volunteered the 5 per cent and general security up to 15 per cent.

Mr SCOT MacDONALD: Can I put it to you that when I ask OEH this, and it is really difficult to get answers from the Minister and the department on this, they say, "So sad. Too bad. You'd end up paying the same level of fixed charges anyway if you actually lost that entitlement tomorrow". So that is their answer. They keep saying, "We are going to review it". That is what the department comes back to me with.

Mr DAL BROU: My view is that most high security irrigators have copped it sweet and there are not a lot of complaints, but because there has been a lot of water that has been targeted for the environment, most irrigators are saying now, "Hang on, why are we actually giving an extra 5 per cent?" I accept that regardless we will pay the water charges but should we pay it on 100 per cent and we never really get it? We should only pay 95 per cent. If we are going to volunteer the 5 per cent why are we paying charges on that?

Mr SCOT MacDONALD: The part I do not understand is that the Commonwealth want to hold that if they want water they go out there and they get it either through PioPP or they go into the market or whatever they do, but in this case, via the State Government, they are getting the water, they are getting the allocation, but they do not have a licence attached to it. How does that rest with you?

Mr DAL BROU: That does not rest easy. I have not been very specific because it is very complicated, but this whole water issue, if you drill down I believe there is more than a dozen government departments that have got their finger on a megalitre of water before we get it. There are too many people that are involved in the delivery of water and that is where it gets lost. I agree with you, that is why I said to you I do not fully understand it myself; I do not live it, it is just a problem that has not been explained.

Mr SCOT MacDONALD: I think I have just about run out of time. Would you support that recommendation if the Committee asked for that in their report?

Mr DAL BROU: Yes, we will.

The Hon. PAUL GREEN: Was that only meant to be for one year?

Mr DAL BROU: I am not too sure.

The Hon. PAUL GREEN: I think it was.

Mr DAL BROU: I am getting nodding down the back that it was for one year.

The Hon. PAUL GREEN: What happened?

Mr DAL BROU: It just carried on and I suppose that we as high security water users were not game to kick up a fuss because then—

Mr SCOT MacDONALD: You thought they might have gone back for more?

Mr DAL BROU: Yes. The environmental people would have come back and said, "Oh, shock, horror, you're too greedy, you want all the water". So as irrigators we just said okay.

Mr MAYTOM: I just wanted to mention something about the environmental watering aspect of it. Basically, I was hoping that we might have spent a little bit more time on the environmental watering and the monitoring and the evaluation. We have not really got a lot out; we have spoken around the edges. Quite clearly, my involvement on Leeton council is separate to my involvement, to a degree, with OEH and all the agencies that we meet with periodically to basically try and get an understanding of the monitoring and the evaluation of environmental water. There are great inroads being made, there is no doubt about that, but I believe there must be more scrutiny in relation to managing of that environmental watering and the outcome.

Basically, I see good things happening but I do believe there is greater opportunity if we can just spend more time looking at that evaluation with an independent body to just come out against the people that that water is needed for the environment and at the moment there are a lot of question marks in relation to that. I just think it is important.

The ACTING CHAIR: Thank you, gentlemen, for attending this morning and for the comprehensive submissions that you have provided to the Committee. The Committee has resolved that answers to questions taken on notice be returned within 21 days. I believe you took a number of items on notice from the Committee members and there will also be other questions on notice because some of us did not finish. The secretariat will contact you in relation to the questions you have taken on notice.

(The witnesses withdrew.)

(Short adjournment)

HELEN DALTON, President, NSW Farmers Association, Griffith Branch, sworn and examined

The ACTING CHAIR: Would you like to make a short opening statement?

Ms DALTON: Yes, as short as I can be.

The ACTING CHAIR: If it is prepared, it would be good if you could hand it up for *Hansard* when you are finished.

Ms DALTON: I welcome this inquiry. Thank you for coming. As President of the NSW Farmers Association, Griffith Branch, I represent around 140 members within the association. Within New South Wales, we have identified some key issues, which I hope this Committee will address. These must-haves include triple bottom line planning, a focus on natural resource management rather than a gigalitre number, a review of governance issues, transparency and accountability for the management of water, timely and fair opening allocations, flood mitigation and dam construction. Today I am going to talk to you about flood mitigation and dam construction, but I am happy to answer questions on any of the other burning topics. Griffith is a highly productive irrigation area and we are dependent on water for our existence.

I would propose that New South Wales and, indeed, Australia are also dependent on us to produce high quality food and fibre at a reasonable price and to contribute to gross domestic product. Planning for a reliable supply of affordable power and water for community and industry is a prime responsibility of the State Government. I would also suggest that where there is a pre-disposition for flooding, that flood mitigation is dealt with also by the State Government in a proactive manner. In the past six to seven years—2010, 2012 and 2016—we have experienced three floods in this area. These floods have had a massive negative economic impact, particularly the recent one in 2016 when continual flooding from May until October saw 232 gigalitres of water move through the system via Mirrool Creek, wreaking economic havoc.

The 2012 floods saw 162 gigalitres flow through, flooding Yenda and Barellan. The Murrumbidgee Irrigation Area [MIA] is a changed landscape, which allows efficient water use and high productivity. Land forming is a practice that creates water efficiency, and with the Murray-Darling Basin plan, many farmers have taken the opportunity to participate in on-farm efficiency measures. With this intensification of land use, we now have less drainage. When we have a rain event we see far more rainfall run-off. We now experience high flood frequencies and our drainage system, as it stands, is unable to cope with these high spikes. It would make good sense to make use of the water windfall and the construction of en route storages to allow better management of this valuable resource would be welcomed.

Sustained flooding in 2016 has cost the region millions. Crop and irrigation infrastructure losses have occurred, isolating communities with continual road closures and generally making it difficult to do business. Together, Griffith, Narrandera and Carathool shires estimate a cost of \$9 million for road infrastructure. I rang them all yesterday and that is what they thought. It was actually over \$9 million. There is no opportunity with these grants to improve infrastructure, only to replace the existing damage so the cycle of damage continues with the next flood event and we never improve anything. The establishment of dams or water storages together with ancillary storages would allow much more flexible and economic use of available water from the highly variable flows from Mirrool Creek and the Murrumbidgee River. This summer we also experienced disruptions in irrigation supply around the Jerilderie and Yanco areas. These events are all too regular, impacting on farmer's productive capacity; water was not available to them at a critical time.

The construction of water reservoirs at places like Stony Point, Lake Coolah and Lake Mejum would be a practical solution and could be designed to capture floods and also supplementary water, which is regularly available during the wintertime. As the MIA canal system is often closed for repairs and maintenance during the winter months, this water is often unavailable to us as we have no reservoir outside the system to contain this water. There are other opportunities for improvement in water augmentation in the Murrumbidgee Valley. The construction of a new dam wall on the Burrinjuck downstream from the existing wall would improve catchment opportunities.

Addressing the constraints on the Blowering Dam would also improve our water management and, therefore, our productive capacity and would cater for increased population, which requires energy, food and fibre towards 2050. In summary, our farmers have made huge inroads to water efficiency practices. However, our State Government is lagging behind, squandering opportunities and creating third party impacts as they fail to dress flooding issues. We are a land of huge climate variability and, therefore, to store water when it is abundant for flood mitigation and production surely would make good sense.

The ACTING CHAIR: Thank you. If you hand that to the secretariat, they will hand that to Hansard. Before I hand over to Mr Scot MacDonald for questioning, I acknowledge that we have Marion Catholic College year 11 students in our gallery. They are having a look at how the New South Wales upper House

conducts parliamentary inquiries. We had the good fortune to address them during the morning tea break. Welcome.

Mr SCOT MacDONALD: I will go back to where I left off with council on environmental water. Can you give a brief outline of how you have seen it develop; where it is today, and I will go back to the recommendation of 5 per cent and 15 per cent.

Ms DALTON: This occurred around 1998 when there was pressure put on farmers, particularly in the Murrumbidgee, also in the Murray, to give up 15 per cent for general security and 5 per cent for high security. It was 10 per cent on the Murray for general security and 3 per cent for high security. It was a promised review, and I have looked at some of the Government Information (Public Access) Act on that. The promised review was to be in 12 months and again in five years. The reviews never occurred. That water morphed itself into the water sharing plans which began in 2004. They were to have a promised review in 10 years, so 2014. We are now in 2017 and we have not had that promised review. The voluntary contributions—it hurts a lot for that water to be gone. We now have the overarching Murray-Darling Basin plan when they bought water from so-called "willing" sellers—I will say willing—

Mr SCOT MacDONALD: Stressed.

Ms DALTON: —it is more like stressed at a time when we were at a low ebb during the Millennium drought. That water sits there. The issue with the voluntary contributions, it sits with the Office of Environment and Heritage [OEH]. Of course, as John Dal Broi mentioned this morning, we still pay the fixed fees and charges on that water. I have had meetings with OEH with regard to explaining where that water has come from. They have no knowledge or appear to be lacking any knowledge at all, given that they do move people around the departments quite regularly, so that knowledge has been lost. The issue is we would like our water back; reinstated. I think with an extra 15 per cent we could really make a crack at—

Mr SCOT MacDONALD: Why would they ask for voluntary contributions? Presumably if the water was needed for the environment, the environment is always a high priority over high security or general security. Why would the allocation for that year or that season be lower? Why bring in that extra layer, if you like? If the water was not available, if the environment was stressed or the river was stressed, why would the allocation for that year be lower, rather than calling for a voluntary contribution?

Ms DALTON: I am kind of not understanding what you are saying.

Mr SCOT MacDONALD: They are saying they asked for that voluntary contribution, 5 per cent high security and 15 general. Why would you not just lower the allocation for that year, so instead of general getting 60 per cent they might have got 45 per cent and instead of high security getting 90 per cent they got 85 per cent?

Ms DALTON: They probably did and they took the water too. They seemed to have reasons for it. It is a good little earner for them because that water morphs itself into translucent and transparent flows. Then it flows downstream and further on down in the Murrumbidgee people can use it as supplementary water. So they pay for it too. Not only do we pay for it; they pay for it as well. It is a great little earner. They can also sell it. At the end of this season is a little bit different in that we have a lot of water available to us and the temporary water now on the Murrumbidgee is about \$20 or \$25 because of the flooding that we have just had.

This time last year it was \$300. So the Office of Environment and Heritage [OEH] could and they do often sell their water, trade it, to us who try to secure a better opening allocation in July because the water year goes from July to July. We are trying to bulletproof ourselves by actually being able to water our winter crops. Often we will have a hard finish. We want to water our winter crops and then start our summer cropping program. We are running businesses and we are trying to employ people and keep a consistency of production on our property. We tend to be in the market buying when I think that water actually should be allocated to us.

Mr SCOT MacDONALD: I asked the council if they would support a Committee recommendation along the lines of separately reviewing that voluntary water. I am concerned that it will get lost in the hurly-burly of the water sharing plan review or the water resource plan review and it will almost get shuffled to one side. This is a big issue.

Ms DALTON: It is.

Mr SCOT MacDONALD: Why look at water augmentation when you have literally tens of thousands of megalitres there presumably available?

Ms DALTON: That is right. In April last year I spoke to somebody in OEH and they were desperate to give me some water to run backwards in my system up Mirrool Creek to pump using our infrastructure to give me some environmental water. They were dumping it then. I almost felt that I was being bribed that if I

accepted that water I could not sing out about the voluntary contributions and so forth. They were watering down at Pooginook Station. They reconstructed a very leaky channel into Pooginook Station and were just dropping it into a depression which was not a natural depression. When I made inquiries to OEHL, the very next day they stopped doing it.

Mr SCOT MacDONALD: I have asked to look at the transparency of it, the efficacy of it, the equity of it and the environmental outcomes from it.

Ms DALTON: That is exactly right. I would be happy with that.

Mr SCOT MacDONALD: The Commonwealth water holder is now allowed to carry over 30 per cent. Do you think there should be a cap in terms of dam volume? They have a cap on their volume but what about a cap in terms of the capacity of the dam, thereby allowing consumptive water to start the season with something?

Ms DALTON: I think that would be a very good idea. It is amazing. I think there is an environmental flow now on the Murray. There is still flooding down the bottom of the Murray. Then they are saying they want an environmental flow for fish breeding in the Goulburn, the Murray and the Campaspe river systems. For goodness sake, it has just been flooded. To give it back to production I think makes very, very good sense.

Mr SCOT MacDONALD: I understand the 30 per cent whether you like that or not maybe, but I think surely there should be a cap on what it is occupying in the dam.

Ms DALTON: That is a good way of looking at it too.

The Hon. MATTHEW MASON-COX: I want to pick up on the dam storages and new dams, which you said you wanted to address. I note that you have probably listed all of the ones I have ever heard of in your submission. It is quite a list. I wanted to understand what priorities you place on an investment for new dam storage from the perspective of NSW Farmers. How would you rank the proposals?

Ms DALTON: I think it is all equally important, but the Burrinjuck Dam investigation or feasibility study into a new dam wall should be done. I also think that Stony Point and Mejum and Coolah should be looked at.

The Hon. MATTHEW MASON-COX: Is that a flood mitigation issue?

Ms DALTON: Flood mitigation and also to store supplementary water. You would divert water from the Mirrool Creek in high flows into that system. Also you could bring water back from the Murrumbidgee into that system and park it there when there was a supplementary flow or high flows, which does happen quite a bit. Then we could utilise that water. It would be last in, first out. That water could be utilised at the beginning of the season to perhaps water our winter cereals. I notice there is water in there now from the last flooding. It goes for miles. With a bit of construction and well thought out planning I think there is a good reason to actually explore the feasibility study. This document was just handed to me today. This is from the Water Resources Commission and is about Lake Mejum storage proposals. They talk about water from Mirrool Creek coming in and from the Murrumbidgee.

The Hon. RICK COLLESS: What is the date on that?

Ms DALTON: It is 1980. I had not seen it. I have seen bits of it. I should really get it printed off and shown. But I flew over it and I have driven around it. I think that option needs to be explored. So the Burrinjuck wall and the option there. It would create a lot of wealth in this area and we would be able to have more consistency of water coming in.

The Hon. MATTHEW MASON-COX: Has there been much work done on the Burrinjuck wall proposal, particularly what the costing might be, what the economic benefits would be from the water that could be diverted to places like Griffith and indeed the way it would impact and interact potentially with the Murray-Darling Basin Authority plan itself?

Ms DALTON: If we could get it through it would stop the arguing, I would think. I do not have any figures on the economic gain with it other than there were two scenarios with it and one was to have a dam height of 133 metres. That would have a storage capacity of 4,000 gigalitres. Then there was another scenario where the dam wall was 109 metres and that capacity would be 2,100 gigalitres.

The Hon. MATTHEW MASON-COX: Which is a doubling or quadrupling of the current capacity?

Ms DALTON: Yes, I think in the document it says that it would be possible to quadruple Burrinjuck's dam storage capacity by building a new dam wall downstream from the existing wall. I think it would make good sense to have a look at it anyway.

The Hon. MATTHEW MASON-COX: If there is anything you can find on that you might give it to us on notice. That would be useful. I also wanted to ask you about the rules. You make the point in your submission that in the State-held accounts in December 2015 there was a minimum of just over one million megalitres in the Murrumbidgee Valley, whereas the storage capacity was pretty much similar in Burrinjuck. You make the point that essentially you believe the State is hoarding the entire capacity of Burrinjuck behind these rules.

Ms DALTON: Yes.

The Hon. MATTHEW MASON-COX: Could you expand on that for the Committee?

Break

Ms DALTON: With the rules with the water sharing plans we do not quite understand how much water they are utilising with the translucent and transparent flows—and there are the salt dilution flows down on the Murray. They vary those rules to suit themselves. It is really difficult to find out what those rules are. There are environmental accounts 1, 2 and 3, and OEHL run those to their rules. It is very difficult to find out some information about it. There might be people in the gallery that would know more about that. Essentially, they have more water than the general public would know about. We as irrigators know they are twisting the rules to suit themselves but to actually get the finer detail is very difficult. I have approached OEHL and DPI Water and I get nowhere with it.

The Hon. MATTHEW MASON-COX: Would there be some value in perhaps independently auditing how those rules work, understanding what is held in those accounts, where it has been sourced from and perhaps introduce some transparency into how transparent flows work and things of that nature? Would that be something you would be interested in the Committee recommending?

Ms DALTON: Absolutely. And this is supposed to be environmental water—could we have some monitoring of environmental outcomes to go with that water? Talking to people along the rivers where we are, I daresay some of this environmental water is impacting in a negative way in that between 80 per cent and 90 per cent of the biomass of the rivers is carp. They are undermining the aquatic weeds which filtrate water. In supplying water for a fish breeding event, I could honestly say, hand on heart, that the biggest beneficiary of that water would be carp. The negative impacts of carp are absolutely huge, with poor quality of water, turbidity, disturbance and of course the fact that they undermine the aquatic weeds. Basically, it is an underwater rabbit. Think about what the rabbits did in the 1930s and 1940s—this is what we have in our rivers now.

The Hon. PAUL GREEN: The 5 per cent and the 15 per cent were allegedly meant to be for only one year and the promotion of that was based on the safeguard of the Snowy River.

Ms DALTON: No. They took that. Well, it may have had something to do with that but I think that it—

The Hon. PAUL GREEN: Is that what they said it was going to be?

Ms DALTON: I think it was about the salt levels down at Morgan. They wanted more water to be put through the system down at Morgan so they wanted a salt dilution flow.

The Hon. PAUL GREEN: Did they think one year would probably achieve that?

Ms DALTON: I have read a lot of the information to do with that. I would have sat around the table and said, "Yes, okay. That is probably a good idea but let's review it after 12 months." It all sounds good and, yes, there is pressure: "Perhaps we should do this." But in saying that, things have changed and it was not reviewed. We are learning as we go.

The Hon. PAUL GREEN: It seems from earlier evidence that there was some sort of decision to say, "We will let this one go through to the keeper and let it keep running."

Ms DALTON: I do not think the keeper was there. They just ignored it. And of course the farmers are farming. A lot these people that sit on these committees are trying to farm. I suppose no-one regrouped them in 12 months time to say, "What do we think? Have we monitored that water? What sort of environmental outcomes have we achieved?" All we have done is we have lost highly productive water downstream and it has actually changed some characteristics. It was general security and high security. Now it is up at the top of the dam and it gets released first before anything else does. So the environment has precedence over whether you or I get a drink of water—that is a bit scary, I think.

The Hon. PAUL GREEN: It is. We have taken a lot of evidence on the three pillars, but the environment is first, above people and livelihoods and communities, which is of concern.

Ms DALTON: My thing is we are in the environment.

The Hon. PAUL GREEN: If you do not have people, you do not survive.

Ms DALTON: That is right.

The Hon. PAUL GREEN: In your submission you talk about the bureaucratic representation having no idea what is happening on the ground—they do not understand the farmers' position. Where do you think the communication to stakeholders such as yourself is at? Is there very good communication? Is there a breakdown in communication? What can be improved?

Ms DALTON: Well, the wording, I suppose: "stakeholder". I think I am a customer. What can be improved? I think there is no communication much. The information we get through is from Irrigators' Council and I suppose they are going to meetings and doing what they need to do. I have spoken to OEH and tried to get some sort of understanding. They have said, "We must communicate more." Well, I have not heard. They do not answer my questions. So really anything would be an improvement—anything.

The Hon. PAUL GREEN: Has technology not helped that—apps and such?

Ms DALTON: Are you talking about dam heights and things like that? That has improved. But the actual nuts and bolts of rules and regulations and things like that all get swept under the carpet. They just seem to do it and then people come and say, "We want to make a change to the rules." "Oh, no—you cannot do that." But in a blink, they can. It is very frustrating for us.

The Hon. PAUL GREEN: I can imagine. Do you have any comments on inter-valley transfer? How do you see that?

Ms DALTON: I wish it did not occur. As we saw last week there are people that are making a lot of money—not that I am against people being successful but I think water for production should be used for production and people are roting it. My farming business wanted to move water too because we have water in the Murray and the Murrumbidgee. We wanted to move it but we did not get a look-in. It was done. As I said, we farm. I think it has got to be a reasonably fair playing field. I suppose if I sat in the office and clicked the button before Mr Wilks did I might have got it through. I think we were ready for it too but we were way behind.

The Hon. PAUL GREEN: At number 4 on page 18 of your submission you talk about water for the future. Do you want to comment on that? I thought that was really interesting because through the inquiry we are starting to think about the long-term plans for productivity, the re-siting of the population, decentralisation and stuff like that.

Ms DALTON: I find it very frustrating that the government department works in silos. You have the department of regional planning, which Rob Stokes was the head of, beavering around not talking to anyone. There is no integration or planning for the future. Unless we do plan for the future and provide opportunities out here, people will not come out here. And water is wealth—let's face it. If we have water we can produce and we can value-add. We do a fantastic job in spite of government policy. We have some very clever people. It is so important for every reason—for decentralisation and to build our communities—but we cannot do it by ourselves. We produce a lot and we create a lot of wealth for Australia but we get very little back from the State Government. It is time they invested in us because we are quite good at what we do.

The Hon. PAUL GREEN: Do you have a comment on the Clarence River diversion scheme? Are you aware of what they are proposing?

Ms DALTON: Not of the nitty-gritty, but I know there is a lot of water that goes out to sea. I am more interested in the fact that Lismore gets flooded and the huge costs of that. Perhaps we can capitalise on that. I understand that those people around there would be carrying on like banshees because water would not be going out to sea and there would be a million reasons why they need the water out to sea. If I were to comment I would say I want to mitigate flooding in Lismore and put that argument forward. We tend to cop it on the chin with flooding. We seem to be able to get a little bit of money out there for restoration without a problem, but we do not seem to have any idea about how to get on top of these problems that we have. We probably have the engineering expertise to do it. For goodness sake, if we can do the Snowy Mountains scheme we should be able to do something like run pipelines. It should be explored one way or the other: either get on with it or let's move on and think of something else. There is a mountain of water through the Clarence, but it is difficult to navigate people's different interests.

The Hon. PENNY SHARPE: Thank you for your submission, it is very comprehensive so we have been able to get across a lot of it. I was very interested though in page 9 where you talk about the process of

water reform that has not recognised what has happened since the seventies, in terms of efficiency gains on farms and what is actually undertaken. And I am wondering if you could just provide a bit of an overview about the changes that have occurred that have never really been picked up.

Ms DALTON: I think we are incredibly clever in that, even with rice production we have made huge yield gains just with water efficiency and if we could get 10 tonne per hectare with rice production we were doing extremely well. Now we aim for 12, in just a few short years. And with the laser levelling and land forming that we do, not a drop is wasted. And, of course, you have to understand that right now we have locked up our rice, so it is standing there and we will begin to drain. Through the drainage and recycling system through our own properties, we will then prewater ground for our winter crops. So we actually get two bangs out of the same bit of water.

The Hon. PENNY SHARPE: How is that practically? That is pretty interesting but what did you used to do? What is the difference? I do not think you should assume that the audience for this report has necessarily ever been on a rice farm.

Ms DALTON: Well, you will be an expert by the time you finish today.

The Hon. PENNY SHARPE: I would never claim that.

Ms DALTON: What used to happen was, most places here have drainage and that water would have been drained into a system which went out to Barrenbox swamp, which is west of town. So now most people have a recycling dam and park their water in there and that can then be reused. We will prewater ground for winter cereals or whatever and, of course, the water that is remaining, getting back to the rice paddock, we will drain and it will be good enough and dry enough to get our machinery on there to harvest in maybe a month or less. Then we will do a cool burn on that stubble because it has a lot of mass there and to get other machinery through, we need to do that and we will sod sow in oats and wheat, so there it is again using that same water. So we are highly efficient and because water is expensive, we work very hard for every drop of water.

And that is what is so infuriating about the environmental watering—it is all just "suck it and see"—"let her go and we will see what happens". It is like the watering out I was telling you about down at Pooginook. I asked, "What environmental gains are you seeking?" And they said, "Ah, we do not know, not really, we will see what happens". It is not good enough. So efficiency is very important to us. There are two standards, one for us and one for them and I wish that would mesh a bit, where we could get a bigger bang for our dollar. We are not against the environment. I am an environmentalist—hand on heart, I am, absolutely.

The Hon. PENNY SHARPE: There has been a lot of discussion about the water sharing plans and the lead-up to 2019 for the water resource plans. I understand the concern about just the roll over of the water sharing plans and I would agree with you that that is very problematic. Do you think anything has changed in the lead-up to 2019 and what would you like to see change in relation to the consultation and how you manage what is coming next with the water resource plans?

Ms DALTON: It is a concern because we are way behind and the water resource plans underpin the water priority and there are issues like the voluntary contributions and translucent and transparent flows that we would like to address.

The Hon. PENNY SHARPE: How do you feel that is currently being addressed in the resource plans? Are you saying it needs specific work done on it or you are just worried it is all wrapped up together and you do not get a chance to deal with each matter separately?

Ms DALTON: That is what I think will happen, because they are far behind in their work. If you understand that 207 people from DPI Water, which is supposed to do these water resource plans, have been moved to Water NSW. So a lot of that expertise has gone and there are people in there, I am sure they are wonderful people, but have they got the expertise to do those plans and actually have them in on time? That is a very concerning point for us.

The Hon. PENNY SHARPE: Do you think they have enough people to do it?

Ms DALTON: No. Well, they are way behind. I think there was something released the other day, but I have not seen it, on the Murrumbidgee. They are way behind. And they are leaving the Murray and the Murrumbidgee to last. I think they have done a little pilot or they may have done the water sharing plan for the Gwydir. Now the Gwydir is different to us. We are purpose-built here. It underpins our whole economy and what we do. Not that the Gwydir is not important but really, these are the big ticket issues around here and on the Murray. So yes, we are extremely concerned and we have had a number of meetings over the last year and not much has been done. They were more worried about the culture of the Department of Primary Industries [DPI] and whatever.

The Hon. PENNY SHARPE: So what was the nature of those consultations?

Ms DALTON: They were supposed to tell us how far they had gone and what they were doing. But those meetings were, to me, a waste of time.

The Hon. PENNY SHARPE: Were they facilitated meetings or were they just officers coming out?

Ms DALTON: Officers. There was Alison Kirk and a few others—Christobel Ferguson. Christobel Ferguson was actually going to do a study on the worth of water. And we just said, "Well wouldn't you, given that we can choose to grow what we want and I am not going to grow rice if I am not going to get a return, do you not think that farmers would know the worth of water?" Apparently no. We are too thick for that. So it is scary, when she should be actually helping in some way to produce the water sharing plans. I think they have lost sight of people on the ground and what we are doing. I think she would get a shock if she came out and had a look.

The Hon. PENNY SHARPE: Thanks.

The ACTING CHAIR: Mr Rick Colless.

The Hon. RICK COLLESS: Good morning. Can I go to that part of your submission which talks about the additional storages, it is the page after your photo of the flooding at Yenda. It starts on the bottom of that page. You talk about: Where do we put these water storages? I want to ask you about your comment on surge dams to mitigate flooding, for example Lake Coolah, and obviously that would be a storage that would only fill at high levels, that water would then be available early in the season, as you talk about.

Ms DALTON: That is right.

The Hon. RICK COLLESS: So it is a temporary storage, if you like. You also suggest in there that the Chowilla dam should be completed and during the previous inquiry, where we looked into the adequacy of water storages in New South Wales, we actually had a look at the concept of the Chowilla dam and one of the issues about it is that it has a very large surface area, some 1,400 square kilometres, which is about half the size of Lake Alexandrina. It holds about 6,000 gigalitres, so it is a big storage. But my concern about that particular storage is that the evaporative losses that would occur from that storage, probably in the order of two metres per year, would mean that something like between two and a half and 3,000 gigalitres of water would evaporate out of that storage each year. So if that were to be a proposal at all, surely that would have to be in the same category as Lake Coolah, that it would be a flood mitigation storage initially, with that water being released back down into South Australia within the next 12 to 18 months at the longest, I would suggest. Have you any comments on that?

Ms DALTON: I think that the focus on evaporation is far too much. If we thought about what you are saying we would not have built a dam. Evaporation is just part of life. I would rather have 50 per cent of something than nothing, to be honest. I firmly believe that no water is wasted. It is recycled. When the system was built at Coleambally, Boree Creek's annual rainfall went up four inches. Storages like Lake Coolah are shallow—and I did say, "Last in, first out"—so we would be minimising the evaporative losses. It is a fair thing to try to do that, but that is not an argument not to look at it. There are other areas—you can find engineering solutions, where you go deeper. We also have to plan for the environment. As I learnt the other day, it is fairly important to have a wetland is that probably shallow and full of weeds and native fish—not carp. The benefits are huge. I look at that as a bit of a non-argument.

It is bandied around far too much, particularly down at Menindee. They say you should drain the lakes to save evaporation but then you would have nothing. They had poor quality this time last year—nothing. You would not have let your dog drink the water because it would have died. People have to live near and use that water. I find it incredibly distressing that you can take that scenario to the Nth degree—drain that water and get it going down to the Lower Lakes and Lake Victoria—only for it to be evaporated there because no-one wants to pay for the evaporation at Menindee. I think it is bizarre.

The Hon. RICK COLLESS: If you build another storage like Lake Chowilla, you are essentially doubling the evaporation in the basin. The water in the Lower Lakes is still going to evaporate at two metres a year and the 2,500 gigalitres that you are going to put into Lake Chowilla, to evaporate, has to come from somewhere.

Ms DALTON: It does. I suppose you have to look at the catchment. I do not know a great deal about the catchment at Chowilla, but this has been flagged as something that should perhaps be looked at. I am saying, fairly firmly, that this evaporation question is out of proportion to the gains that can be made.

The Hon. RICK COLLESS: The previous inquiry had a look at the efficiency of storages—the surface area in relation to the depth of water storage—and the further you go up the mountain the better that is, because you get deeper storages and smaller surface areas. I think that is an important thing that we need to take into consideration—for long-term storages in particular.

Ms DALTON: Yes.

The Hon. RICK COLLESS: For short-term storage it is not nearly as important, but still important nonetheless. Having talked a little bit about the Lower Lakes, what is your view of the management of those lakes? Should that be altered?

Ms DALTON: I think so! It is an estuarine system, and they are trying to fill it up with fresh water. It is like blocking Sydney Harbour and saying that we should fill up Parramatta River. I guess Sydney Harbour is a lot deeper, but we have been sold a pup. With respect to Hindmarsh Island, I could go on. It is about money. It is not about the environment. It is an estuarine system. The barrages are there but they could be looking at efficiencies with that. We keep getting blamed for the formation of Bird Island, and it is all to do with the Southern Ocean. It used to scour that entrance out. It is costing us a fortune for them to shift the blame to us. It is costing Australia a fortune and they should be having a good look at the way they manage their environment before they come back to see what they need. Even with this current flooding it is not going to scour out Bird Island. There has been unprecedented flooding between May and October. If that fresh water has not moved anything it will never move anything.

The Hon. RICK COLLESS: Bird Island is now almost accepted as a natural island?

Ms DALTON: Yes.

The Hon. PAUL GREEN: It is part of the Ramsar.

Ms DALTON: I had a presentation from Louise Burge the other day. She has done a lot of work.

The Hon. PENNY SHARPE: We met her.

Ms DALTON: You may have seen the presentation.

The Hon. RICK COLLESS: We did.

The ACTING CHAIR: She was brilliant.

Ms DALTON: She is the guru. She has done an enormous amount of work in the last 20 years.

The ACTING CHAIR: I have one question before time runs out. It is to do with managed aquifer recharge. Has your branch of NSW Farmers done any work on managed aquifer recharges?

Ms DALTON: No, I do not think so. I will have to think about that.

The ACTING CHAIR: You can take it on notice and get back to us. It is one of the things we are exploring. It is not the only thing we are exploring. If you want to take that on notice that is fine.

Ms DALTON: Yes. I will think about that one.

The ACTING CHAIR: Thank you very much for your attendance today, and thank you for your submission. As you can tell we have all been across it a number of times. I notice there are lots of handwritten notes in the columns, so it was a good submission. The Committee has resolved that answers to questions taken on notice be returned within 21 days. I dare say there will also be some questions from Committee members following up, as well. The secretariat will contact you in relation to the questions you have taken on notice.

(The witness withdrew)

DEBBIE BULLER, President, Murrumbidgee Valley Food and Fibre Association, sworn

Ms BULLER: Thank you very much, and welcome to our area. My name is Debbie Buller, I am here in my capacity as the President of the Murrumbidgee Valley Food and Fibre Association but I also need to let you know that, first and foremost, I am an irrigator in the Murrumbidgee Irrigation Area [MIA]. At the moment my son, who is working with us, is a fifth-generation irrigator in this area. My husband is a fourth-generation irrigator. As well as being the President of the Murrumbidgee Valley Food and Fibre Association, I am also on the Rice Growers' Association of Australia, NSW Irrigators' Council and the Murrumbidgee Stakeholders Group and NSW Farmers.

The ACTING CHAIR: Would you like to make a short opening statement—"short" being the operative word?

Ms BULLER: Yes, that is fine. Murrumbidgee Valley Food and Fibre Association represents business owners in the Murrumbidgee valley. Many of our members are directly engaged in irrigated agriculture, producing a wide range of agricultural commodities. I am quite sure that even during your short stay here—some of you may already know this area well—you will have discovered that this is a just-add-water area. Just add water and you can grow just about anything. So it is very important. Our membership also includes those engaged in related businesses, including processing, marketing and provision of professional services from towns and cities within the Murrumbidgee valley. Our focus is on water policy at all levels of government because the ecological, economic and social sustainability of communities like ours is dependent on how water is managed.

One of the first things I would like to say is that, in this valley in particular, the New South Wales State Government has the capacity—has always had the capacity—to do us the most good, and to do us the most harm. In this particular valley it is up to the New South Wales State Government to let the Murray Darling Basin Authority in, which the New South Wales Government has decided to do, but it is also up to the New South Wales Government to protect this valley, which is a major investment.

I want to focus mainly on the water-sharing plans, which is an area of my expertise—as President of this organisation—but I am happy to answer any other question in relation to this submission, as well. The other main point that I would like to make to you, which has become very clear to me, is that the separation of powers at a regulatory level and at an academic level is causing all of us a nightmare. One of the simple questions that I often ask people is: If you had to ask a simple, practical question about water management, would you go to an agricultural scientist or an environmental scientist? Which is the one that is likely to know how practically to implement land and water management? The answer is quite clear, is it not?

The ACTING CHAIR: I have a couple of questions around water sharing plans, which you talk about in your submission.

Ms BULLER: Yes, I do.

The ACTING CHAIR: What would you like to see in the water resource plans to improve significantly upon the water sharing plans?

Ms BULLER: I do believe that in my submission there is some supplementary information about that, and I stand by most of what we have said in there. One of the most important things that I think everyone needs to understand is that the current water sharing plans that we are now operating under were implemented in 2004 and at that point we were only two years into the millennium drought. In 2006, because they were not delivering and we were in the millennium drought, those water sharing plans were suspended. One of the main reasons they had to be suspended was that those water sharing plans put the environment ahead of everything else and suddenly the New South Wales Office of Water realised that if they keep doing that there would be no critical human needs water, there would be no stock and domestic water, there would be no water for towns and cities let alone our poor environment. They were suspended for five years, and did not become current again until 2011.

In the meantime, those water sharing plans were tweaked and fiddled with because the New South Wales State Government realised they were not working. Unfortunately, most of those tweaks were a classic example of the management managing the system for the benefit of the management—very unfortunately. A lot of things happened in the middle of the drought because of the drought and also because of the big new customer that has turned up in the system—which would be the Commonwealth environmental water holder and the Federal Government—to protect the State Government as a stakeholder. Unfortunately, I know that is a strong statement but that is what happened. Some of those rules were changed and they have not really delivered

on their promises. Some of those included fiddling with the carryover rules, some of those included fiddling with the environmental accounts, and some of those included the intervalley transfers.

There was a lot of stuff going on right in the middle of the drought, and at the same time we had the Federal Government in here just willy-nilly buying up water from desperate sellers. It has not been since the 2013 season, to be honest, that we have been able to judge those water sharing plans in anything that you would closely call a normal year. What we have discovered is that they are not performing for your general security irrigators in particular but for producers—the productive side of it is not performing. I am sure all of you people understand that we do work in the environment and we have to work in seasons.

The timing of the allocation announcements are more about just being absolutely sure that they have got the water to deliver and basing it on the worst-case scenario. To start off they were basing it on 2006; that has now been changed to 1902, before there were even any dams built. They are basing it as if tomorrow that set of circumstances may suddenly appear again in our daily—like that is going to happen; it only happened twice. To manage all the resources on that idea is so against how business works and using productive water. None of us would even bother if we had to manage our businesses based on the worst-case scenario. You need to remember that we are the paying customers and those plans are not performing for us.

The ACTING CHAIR: One of the things that has been raised with the Committee on a number of occasions, either in written submissions or in testimony, is the complexity of the water sharing plans. That it is not a user-friendly arrangement at all. Do you think that a user-friendly version, a plain English version or some improvement to the way they are worded would be one of the things this Committee should recommend?

Ms BULLER: Absolutely, but I think the most important thing that the State Government needs to recognise is who are its paying customers. It needs to arrange the wording and the management of those plans with that in mind. I am really pleased to see the Hon. Rick Colless here because he has come from the agricultural industry. I can remember him making a speech once about the tree police.

The Hon. RICK COLLESS: We got rid of them.

Ms BULLER: One of the other sad things I have seen happen is that people like us who have been farming for generations, even me for quite some time, we used to be able to call on the agriculture department and the CSIRO and all those types of people to come out and work with us when we had recognised a problem or they had recognised a problem. They used to put their gumboots on and their work clothes and come out—Rick would have been one of those people—and we would work with them to solve problems. Even simple things like gully erosion or watching some trees that were not behaving the way they should have been. "Where did all these bloody carp come from?" and so forth. These days the last people we want to go to are the agriculture department and the CSIRO. Is that not a sad indictment of what has happened in land water management? Who are the stewards of most of our land and water? We don't want them on our properties any more.

The reason for that is that they have made it all so complicated and all so protectionist and all about, you know, "You farmers are naughty, naughty, naughty, you over cleared. You farmers are naughty, naughty, naughty, you have been over allocated." Who told us to over clear? Who told us to over allocate? These are really good people out here and this is an amazing area. They have turned themselves inside out to try and meet community, consumer, customer, political demands, and they continue to do so, but they are still being beaten up for it and they are still being made to pay for things that they gave away, as Mr MacDonald has highlighted, 20 years ago. It does need to be simplified, it does need to be streamlined and we need to redevelop trust in those departments because it has gone. I love that comment about tree police because that pretty much says what a lot of us think of them. I am sorry that is a bit strong.

The ACTING CHAIR: Thank you.

The Hon. PAUL GREEN: Would you like to make some comments about the intervalley transfers?

Ms BULLER: Yes, I would. That has already been bought up because something quite odd happened last week, and you have all heard about that from the councillors and everyone else. What I would like to say about that is once again it is rules and regulations and the management probably managing the system for the benefit of the management. Those intervalley transfer rules were tweaked and changed in the middle of the drought and the basis for this—there is nothing wrong with the actual basic mindset of them—was because of those extraordinarily complicated rules and regulations, water charging infrastructure rules and the rules in the water sharing plan about caps—you have all probably been looking at all that sort of stuff—your eyes start to roll back in your head. I am not really a water trader: I am a water buyer. I have been forced into the water market because of the development of policy. I probably know more than most people do, but I cannot get my head around some of that stuff. It is only people who have been right through all the rules and regulations that

can figure out how to suddenly snap water from one valley to another. Anyway, those trades in this valley open up and then 15 minutes later sometimes they are closed.

Now it is not just our valley, the South Australian Government has intervalley transferred water via our State rules from Lake Victoria up into Dartmouth via those rules. Last time I checked, guys, water does not run up hill. It might have done since I studied water but seeing that I am a water manager I do not think it does. We also had an incident of water coming out of the Menindee Lakes scheme that was empty—there wasn't any water there but it got intervalley transferred into our valley, into Burrinjuck Dam. So we have got paper transfers happening as well as the sort of thing that happened last week, and that puts people like us at a total disadvantage. In the first instance we can't even participate in that all. It all just happens so fast and it is all about sitting on a computer ready to push a button. In the second instance our storages are getting jammed up by paper water. It is being shifted around to avoid spill rules, to avoid carryover rules, and because the rules say they can. Farmers are doing it too but it is not individual farmers; it is the bigger guys who have got the time to figure it all out. The impacts are negative.

The Hon. PAUL GREEN: Would you enlighten us on the impact of the breakdown in communication and the mistrust that you spoke about? What has been the cost to the industry in lost productivity or opportunity?

Ms BULLER: Once there is a breakdown in trust between a customer service industry and a customer then that is the obvious impact.

The Hon. PAUL GREEN: How does that affect your productivity?

Ms BULLER: I am not too sure exactly what you are trying to ask.

The Hon. PAUL GREEN: If a decision is made upstream, you are not brought in on the issue. You are then on the back foot because no-one has consulted you about the impacts of that.

Ms BULLER: That is a nice summary of the position we often find ourselves in. Communication has not been good. We find out that a rule has been changed, reinterpreted or adjusted. We find out that that has happened after the event.

The Hon. PAUL GREEN: How do you think we could improve that? What would your recommendation be?

Ms BULLER: My recommendation relates to the bureaucracy, all those different departments. There used to be one when I first started farming. The last time I counted there were 17, and I probably missed some. All those departments need to start streamlining what they are doing. That includes the Department of Planning. They need to come out with a clear message. Quite often the messages that they give us are completely contradictory. We need streamlining and feedback loops. It is just not happening. I can give one example. I wanted to ask a question about a trigger point in the Snowy Hydro system and how that affected us downstream. I started off with our local guys and they said I would have to ask Snowy Hydro. I was given a name, so I rang that person. That person said, "No. Snowy Hydro does not view you as the customer. MI is the customer. You have to ask MI." I said, "MI sent me to you." They said, "In that case, you need to go to State Water."

I went to State Water, and State Water told me that MI was the customer. They did not talk to individual customers. That was the first response I got. When I said I had already been through that and I was not going to ring MI because they told me to go to one of the other organisations, the representative said that I should talk to DPI Water because they look after policy. I rang up DPI Water and I spoke to a nice guy whose name was James Muddle. That was really funny because by that stage I was in a muddle. He was very nice to me, but he said that to get an answer to the question I had to go to MI. I never got an answer to the question. That is just one example.

The separation of powers is an issue. Helen was talking about the fact that a lot of the stuff that OEHL does we cannot even talk to those people about, yet OEHL at this point in time in the southern connected system owns more than 600,000 megalitres of licensed water entitlement. On top of that it has stewardship over the rules for environmental water. It also has the power to sign in concurrence for anything to do with water policy. If it does not sign it off, it does not happen. This is another problem. What we try to talk to them we get really weird answers. As Helen said, are we just putting in water to see what might happen? I know that is correct because I asked the same person the same question and got exactly the same answer. At the same time, they are allowed to not sign off on efficiency measures. Is there not a governance issue when the largest water holder in New South Wales also has oversight of the rules and regulations?

The Hon. PAUL GREEN: Dracula in charge of the blood bank.

Ms BULLER: That is a good way of saying it.

The Hon. RICK COLLESS: Is that a nursing term?

The Hon. PAUL GREEN: Yes, from haematology.

Ms BULLER: They have an incredible amount of power and an incredible amount of water. If you go to them and ask questions, as Helen pointed out, half the time they do not even know the answer. They have this water. They are blindly following rules that are totally out of date. It is 2017. Those water sharing plans and voluntary contributions were supposed to be reviewed. None of them have been. All the other stuff just keeps getting rolled over. The communication is just not there.

The Hon. PAUL GREEN: Do you have a view on the Clarence River diversion scheme?

Ms BULLER: My view is that anything is possible if there is a will to do it. I know virtually nothing about that particular scheme. I can tell you a lot about the Snowy Hydro scheme. I can help you with questions about storages on our system. What I do understand is that the major part of that scheme is not dissimilar to what was done with the Snowy Hydro. It is the same sort of mindset and will probably deliver the same sorts of results. Anything is possible if there is the political will to do it. Humans are smart. Engineers are smart people. We are all smart people.

The Hon. PAUL GREEN: I will ask you about Burrinjuck, then.

Ms BULLER: Yes.

The Hon. PAUL GREEN: Which option do you have a view on?

Ms BULLER: I think that Burrinjuck is an absolutely beautiful catchment. It is one of our most secure catchments. To upgrade that and increase the storage is an excellent idea. That will benefit the triple bottom line. The environment will also benefit from something like that.

The Hon. PAUL GREEN: Do you support the extension of the wall or the 109-metre option?

Ms BULLER: If you want me to go into technical details I can bring someone else to the table or find out more information. I do not really want to go there.

The ACTING CHAIR: You can take it on notice.

Ms BULLER: I will take it on notice. Are you asking which one I would prefer?

The Hon. PAUL GREEN: Yes—the 4,000 gegalitres or the second one.

Ms BULLER: The second one is 6,000; is that right?

The Hon. PAUL GREEN: It is a 109-metre wall.

The Hon. MATTHEW MASON-COX: It is 2,000 gegalitres or 4,000 gegalitres.

Ms BULLER: Off the top of my head I would say to go for the one that delivers the best. Go for the bigger one. I will get back to you on that.

The Hon. PAUL GREEN: That is fine. Take that on notice.

Ms BULLER: I will look into that a bit more.

The Hon. PAUL GREEN: Thank you.

The Hon. PENNY SHARPE: When you say you cannot talk to OEHL, what is the supposed consultation process with them and how does it actually occur?

Ms BULLER: I have been to lots of meetings with representatives of OEHL. They present to the NSW Irrigators' Council. They come to meetings of the Ricegrowers' Association. We invite them to NSW Farmers meetings. I think "present" is the best word. They present at us. That is the end of what I have to say. If you think that is consulting, you have to be joking.

The Hon. PENNY SHARPE: There is a role for presentations in providing an overview to stakeholder groups. As to consultations on what is happening with the water sharing plan at a particular level, is there an established procedure that allows you to come to the table and have a discussion about that?

Ms BULLER: No. They tell us that DPI Water does all the policy stuff. The problem is that they have that concurrence power and they are involved in the policy. We never have the opportunity to have the sorts of discussions that we need to have with OEHL about the water sharing plans.

The Hon. PENNY SHARPE: Have there been commitments in the past? Is it something that was promised and has not been delivered? Is it something that was not envisaged when water sharing plans were being rolled out, when perhaps it should have been, given what has happened?

Ms BULLER: I find that question a bit five-pronged. I am not sure what you are asking.

The Hon. PENNY SHARPE: I want to know whether, with the establishment of the water sharing plans, there was a commitment to have structured consultation with OEH as part of that.

Ms BULLER: OEH sits on what it calls the customer service committees, but it only presents there. OEH does not take part in consultations or questions and answer sessions. We are consulting here now. I would call this a more of a consultation than the way representatives of OEH behave.

The Hon. PENNY SHARPE: Thanks. The information that you are provided with on your allocation and the timing of that clearly has been a vexed issue. All of us have heard that message clearly. We have also heard that the flipside of the issue is that there is conservatism in the way they allocate because they want to be sure that they have the money before they do it. When and how does that need to occur so that you can make better decisions at the time that you need to make them? It is easy to say that we cannot do it. Do you have some more precise advice for us about that?

Ms BULLER: Yes, I do and I could probably take two hours talking on just that one topic. I will say that overlaying everything with the worst case scenario, when quite clearly the catchment conditions are nothing like they were in 1902, is overprotecting themselves and not allocating the water they have. The rules about timing of allocations are based on the fact that twice in the history of water resource management in New South Wales they made a mistake. Twice out of 90-something years is not too bad, is it? We all make mistakes, but to manage the whole system based on the fact that twice they made a bit of a mistake is not good management; neither is it a good principle for business management. As I said, if we all managed our businesses like that, we would not even get up in the morning, because every year is going to be like 1902 or 2006. I will not swear, but they were very bad years.

The Hon. PENNY SHARPE: How do you think that the role of the Commonwealth Environmental Water Holder needs to change?

Ms BULLER: I have a few different views on that, but seeing as we are talking about the Murrumbidgee Valley my main point—and I am going to stand my ground on this—is that for this valley the New South Wales Government is in charge. The only reason the Commonwealth Environmental Water Holder has water in our valley is that the State Government allowed it. Anything visionary that can be done by our State Government can be done in this valley. On a wider view, the whole predication of the Water Act and the way it was foisted on us, at a time when all of us were at our most vulnerable because we were in the middle of the Millennium Drought, was wrong. Since the Murray-Darling Basin plan was finalised in 2012, do you realise we have been in either a massive or a high-flow flood event three years out of those five years?

The Hon. PENNY SHARPE: To be clear, would you prefer it if the Commonwealth Environmental Water Holder had no role in your valley?

Ms BULLER: I do not think the Commonwealth Environmental Water Holder has the major role in our valley; I think it is the State Government. I do not know whether they should or should not. Let me take that a bit further. The three major flood events are not recognised by OEH or the Commonwealth Environmental Water Holder or the Murray-Darling Basin plan as environmental flows. They are piggybacking their environmental water on top of a flood event. We built the storages and regulatory systems, as you would know, to store water in times of excess so that we could manage the water wisely in the inevitable dry periods. That has worked extraordinarily well in this valley. This area is a testament to how well that can work, but the overarching mindset from your department, OEH—

The Hon. PENNY SHARPE: Not my department.

Ms BULLER: —not yours specifically, but the State department—and the Commonwealth Environmental Water Holder is that it is a really good idea to store water resources on top of floods. I am sorry but that is not what the systems were designed to do. Perhaps they should build their own environmental dam.

The Hon. RICK COLLESS: When you said that water does not run uphill, as I understand there is only one thing make water run uphill, and that is money.

Ms BULLER: And pumps.

The Hon. RICK COLLESS: They have to have money behind them too. Basically these paper transfers are about money. Following the line of the previous questioners in relation to the management of water

from a bureaucratic perspective, you made the comment in your submission that the equation is more about the number of departments and entities involved and the problems associated with that. Do you have any suggestions as to how that could be changed? Should we look at having a single entity or a poacher-game keeper-type structure?

Ms BULLER: That is a really broad question. Why did we separate agriculture and agricultural resource management completely? We cut a line right through them in the first place. Why did we do that? That was the beginning of the nightmare where we end up viewing the department of agriculture as if they were the tree huggers? Whenever we raise our hands and say, "This is not working very well" then they make more departments. When the Water Act came in the promise was they were going to fix up the fact that it was disjointed between States and not being run as a whole basin. We all thought that was about time, but all we got was four extra bureaucracies. I know that we already have 17 in the State, so how does having four extra bureaucracies work?

The Hon. RICK COLLESS: Do you think that things worked better in the days of the Water Conservation and Irrigation Commission and subsequently the Water Resources Commission?

Ms BULLER: I think the overarching mindset in those days was much better. I am not going to say that everything they did was sweetness and light; we did make some mistakes. But when you look at something like the environment and agriculture, it involves learning by mistakes. We have to have the courage to recognise that we have made some mistakes and work on fixing those. There is a big one rearing up in water quality that I think Ms Dalton alluded to. We also have to build on what we know works. There are some tried and tested things in water management that were being done way back and they worked extraordinarily well. We have trashed all of those, because we have separated the powers and we have corporatised. I do not even want to go into forestry to talk about stuff, because I know I will be delivered a heap of gobbledygook that has nothing to do with how I can help them and they can help me. Did I answer your question, because it was quite broad? Why are the traditional custodians of the land and the amazing work on efficiencies been separated at the regulatory and academic level? The two departments, academia and government, compete with each other for funding and attention. Why did we do that?

The Hon. RICK COLLESS: As a result of that dismemberment, if I can call it that, are we in a situation where none of the entities are prepared to take the blame when things go wrong?

Ms BULLER: Absolutely, the buck-passing is amazing. I gave you an example of that just a little while ago. Sometimes you have people saying, "You are blaming the MDBA for that, but that was the State Government's fault; therefore you are completely wrong." You may be saying the right thing and something bad is happening, but because you are blaming the wrong government or department, nothing will be done.

The Hon. RICK COLLESS: Members of this Committee were talking about this only this morning. We are not here to apportion blame in the past; we are here to look forward to the future and work out how we can best fix it.

Ms BULLER: I love your terms of reference for this inquiry, because they set out what you are asking for.

The Hon. RICK COLLESS: I turn to the extra flows coming into the system over and above what is in the storages, be they termed flood flows or translucent flows or dilutions flows or whatever else. When that happens, should those flows then be known as environmental flows, and then the water stored in those impoundments as environmental water should be returned to productive water? I am asking particularly about translucent flows, and that did happen in the last couple of years with Burrinjuck.

Ms BULLER: Last year! It has happened more than once. I think in my submission there are a couple of articles that we have written on those. One of the major problems with those translucent, transparent flows—I will not tell you what my husband calls them—and the salt dilution flows, all those type of flows that are talked about are out of date. Most of them were designed in the 1990s, and even some of the things they were supposed to be mitigating have long since been mitigated. What we have are departments that are still blindly following those rules in a tick-the-box approach, just because the rules say they have to, with no outcomes. Last season at the beginning of June, which is the last month of our water calendar year, the rains started.

At that point there was only about 30 per cent in the Burrinjuck Dam, if I remember correctly, and it could have been even less in Blowering Dam, I cannot remember the exact figures. Because there was a rain event—below the dams a lot of it, by the way—they started releasing those transparent and translucent flows. Quite understandably all of us went up in arms about that. This is the last month of the water year and it is finally raining, things look like they are turning around and you are letting that water go!

But, on 1 July at one second past midnight Office of Environment and Heritage [OEH] gets all their water allocated to them. They would have had their water, but what they were effectively doing with those transparent and translucent flows was trashing our following year's allocation just because they were following rules. There is some extra dipping going on down the bottom there where we pay for some of that water on 100 per cent of our supposed entitlement, yet they re-sell it further down the system as supplementary water. So there is a nice little business operating there somewhere too that I would also have to question. There seems to be two lots of growers and producers who are paying for the same parcel of water. That does not sound right to me.

The Hon. RICK COLLESS: So, rather than have a tick-the-box type set of rules, we need to have a document that is more of a living, flexible document.

Ms BULLER: Well, of course. And that was one of the best things that the old one entity used to do. That is what they did. They were always flexible and they always understood that this is such a highly variable system, that just a blanket one-size-fits-all would cover that with silly rules like that! They are silly rules. The only thing that saved us—we are now on 100 per cent allocation—was that mother nature did what she did. That was it. If that had not happened we would have been starting on zero allocation. Even South Australia would have been on a dreadful allocation, even South Australia.

The Hon. RICK COLLESS: This will be my last question. About the suitability of the existing water storages, you make the comment there is insufficient storage to encourage further agricultural development. One of the things the previous inquiry looked at was the issue of in-river storages in the Murrumbidgee, that is more weirs. What is your view on increasing the number of in-river storages?

Ms BULLER: I think en route storages, or if you would like to call them surge regulators, or whatever, those sorts of things, all of those are possible as well. Like I said earlier when you asked me about the Clarence, the possibilities are endless. Seriously, they built the Snowy Mountains Hydro-electric Scheme and they did not even have the benefit of a \$2 calculator. The sort of technology and stuff that we have available to us now and our ability to do feasibility studies, all that sort of thing, is far greater than what they had available to them. So, anything is possible. At the end of the day too, everyone is saying it will be expensive and someone has to pay. Well, that is right. But these are long-term investments. If there is long-term value in it, then it will pay, will it not? That is how we run our businesses. I would hope the Government runs theirs the same way.

The ACTING CHAIR: I will now hand over to Mr Scot MacDonald.

Mr SCOT MacDONALD: Thanks Debbie, thanks for all your work. The New South Wales minister has basically said no more water out of New South Wales or about 3 per cent a decade, something like that. I am wondering what your association feels about that?

Ms BULLER: That is one of the things he said. He has said quite a lot recently. I think that is sensible. I know no-one likes us doing this but seriously, unless we start looking at why all this water is being taken out of an area like this, and it is to go downstream to places like the lower lakes and the Coorong, apparently, and other places like that, unless we start focusing on why that is happening and perhaps helping those people, the pressure for New South Wales to give more and more water up for things like that will just continue. I have to say thank you Niall for standing and saying enough is enough. Over the history of water reform—I have been involved in it since the 1990s—one of the more recent figures I saw was irrigation communities and productive users have given back for other uses, even before the Water Act, somewhere in the vicinity of 6,000 gigalitres, and that has not been recognised either. It was not all for the environment, some of it was for the environment, other stuff was not.

Mr SCOT MacDONALD: Your organisation is a fairly broad representational group.

Ms BULLER: Yes.

Mr SCOT MacDONALD: By my calculation the Commonwealth water holder has 709 gigalitres they have resumed out of the Murrumbidgee.

Ms BULLER: That is right.

Mr SCOT MacDONALD: Out of their total nearly 2,000, 1,981. Can you describe the impacts of that 709, how you feel amongst your membership?

Ms BULLER: Amongst our membership, we were one of those people. The saddest thing was that at the time that that raid occurred, which was in 2008, the only asset we had to keep ourselves and our farms afloat was empty buckets. We were raided when we were at our most vulnerable. The water was taken—I cannot say they took it, they bought it, but if we had our druthers we would not have sold our income-producing

asset. And I am one of those people. It has reduced our productive capacity, obviously, and our flexibility. We did not sell anything like all of ours, we sold just enough to keep the banks happy, and that is what most people in this valley did.

Mr SCOT MacDONALD: I think they targeted the Murrumbidgee high security because of the reliability.

Ms BULLER: That is true, and did it not whack up the price of high security water in a mad tearing rush in 2008!

Mr SCOT MacDONALD: By my calculation that is about 36 per cent of the already recovered 1,981. We still have the up-water problems, the 450. So, 36 per cent of 450 gigalitres would be about another 161 gigalitres to come out of the Murrumbidgee. What would be your forecast about impact on your membership and this community?

Ms BULLER: The impact would be huge, just for a start.

Mr SCOT MacDONALD: Let us say MI?

Ms BULLER: MI will hate that, big time. The MI and the MIA would hate that.

Mr SCOT MacDONALD: Would they be viable, do you think?

Ms BULLER: They still have to maintain all our delivery systems and all those channels and the drainage and all the stuff that they do, and they have to charge for that. If you have less product to put through that delivery system then obviously there is only one answer that will happen there, it will become more and more expensive.

Mr SCOT MacDONALD: Amongst fewer productive users.

Ms BULLER: Yes, and lesser product. The thing is that those systems were designed to deliver water. If you have less water, that is less production and less people.

Mr SCOT MacDONALD: To be clear, that would be 161 not going down the MIA, it would be going straight down the Murrumbidgee?

Ms BULLER: That is correct.

Mr SCOT MacDONALD: Or some iconic sites I suppose.

Ms BULLER: That is correct. But that is not difficult for the State Government to mitigate. I suppose it is not in this valley, I said that before. Yes, you need to really think about what is going to happen to this valley if that is allowed to go ahead.

Mr SCOT MacDONALD: Just to give my colleagues some time, would you support that recommendation I put to council and Ms Dalton in terms of a separate review of the voluntary water?

Ms BULLER: Absolutely, absolutely. I am a person who is impacted by that, absolutely. And so are a lot of our members. It should have been done way back in 2000, and it was not.

The ACTING CHAIR: Thank you Scot. Mr Mason-Cox?

The Hon. MATTHEW MASON-COX: Just very quickly, for the record you mentioned the issue of allocations and the risk averse approach taken in that regard based on 2006 or 1902, which understandably perhaps from their perspective were situations where they have made mistakes in the past and makes them very risk averse. Two mistakes, that is true. How would you work the allocations out? What would you use as your base case?

Ms BULLER: I could probably spend two hours on that as well—

The Hon. MATTHEW MASON-COX: Don't!

The ACTING CHAIR: You can take it on notice.

Ms BULLER: I can take it on notice, but I want to give you a couple of sound bites. What you need to understand is that you are paying custom for that water. They have seasonal windows. If we do not have a clear indication by September of what is going on in our catchment and what is likely going to happen, it gets very difficult for us and people will start making decisions like, "It looks too risky. I can't be bothered. It's all too hard. I hate these people. I'm just going to sell my water." That is really bad for our area, because it means that those people have opted out. They have taken the money—you cannot blame them; they are allowed to—but they are not producing. Then you have people like our family, who have to put ourselves at quite a lot of extra

risk to buy in water on the temporary trade because we are not being allocated our own water entitlement to back up what we have been put out here to do. There is a type of risk-averse mindset at that level.

I think the other sad part is that they make decisions in October-November when the catchment looks nothing like what it did in 1992 or 2006. There is no way on this earth that the catchment is going to suddenly revert to something that happened in 1992 or 2006, because the dams are full, the creeks are running and everything is happening. They do not need to do that. By October-November they know that 2006 and/or 1992 is not about to repeat itself. It is not possible. The probability is less than zero.

The Hon. MATTHEW MASON-COX: Perhaps you can come back with some more on that front. Time is almost up, but I would like you to work through the governance issue. Could you, on a beautiful, pristine sheet of paper, work through a governance issue that looks at the accountability issues, how the Office of Environment and Heritage deals with its water allocation and indeed the issues of water trading more generally, particularly at the timing of the season and the pricing at close as a result, and how we could ensure that stakeholders are much more involved in that process? The evidence we have received has focused on the need to return to a bottom-up rather than top-down approach. Perhaps you can involve your networks in that, as it would be really useful to us to have some practical ideas about how to reshape the governance issue and the accountability and transparency that flow from it.

Mr SCOT MacDONALD: In your spare time!

Ms BULLER: I will do that in my spare time: I do have some information and it is more about collecting all of it. I will do my best.

The ACTING CHAIR: It would be really good if you could take it on notice. Ms Buller, thank you very much for your submission and your attendance today. You have been very forthright and the Committee appreciates that. You have taken a number of items on notice, and the Committee has resolved that answers to questions taken on notice be returned within 21 days.

Ms BULLER: Good luck with that last one!

The ACTING CHAIR: You can do your university thesis and send it back to us at some stage! No doubt there will also be questions from the members of the Committee. The secretariat will contact you in relation to the questions you have taken on notice.

(The witness withdrew)

CHRIS BEALE, Vice President, South West Anglers Association, sworn and examined, and

JIM MUIRHEAD, Management Committee Member, South West Anglers Association, sworn and examined

The ACTING CHAIR: I welcome our next witnesses, from South West Anglers Association.

Mr BEALE: I am the Vice President of the South West Anglers Association and I am here representing Terry Maloney, who made our submission to the Committee.

The ACTING CHAIR: Would you like to make a short opening statement before we go to questions?

Mr BEALE: I have been involved with farming and recreation use since my childhood. My family background is farming. We were dryland farmers at Oaklands, and we were privileged to get onto the West Corugan irrigation scheme when it was implemented. It literally died because of lack of water, so we sold up and moved away. Since then I have always been actively involved as a fisherman with my family. I have been with South West for 20-odd years. For the last 10 I was President. I stepped aside for younger people, but I still get involved. I have been actively involved over the last decade with the Rivers and Red Gum Environment Alliance, trying to fight off State Forests going to National Parks, which was not successful on political grounds.

I worked with the Local Land Services Murray division on the Travelling Stock Reserves review that was just concluded, even though the steering committee that I am on is still active. I am manager of a local parts business and an ag dealer, so we work closely with the agricultural industry. We are affiliated with the Recreation Fishing Alliance of NSW, Recfish. I am a member and Terry is on the committee. It takes in rec fishing across all of New South Wales. As well as being a representative of South West, I represent myself, my children and their children's future. That is why I am here.

Mr MUIRHEAD: I am here today as a member of the South West Anglers Association. I am currently working for farmers and I also do environmental work on the river and creek systems of the Murray-Darling Basin, mainly the southern Riverina area. The creeks that I work on are the Billabong Creek, Yanco Creek, Colombo Creek, Turn Back Jimmy Creek, Wongalong Creek and Forest Creek. I have worked on the Tumut River and other systems over the years. I believe that crack science has a lot to do with making decisions but I also believe strongly that people who have lived and breathed in an area know a lot about how everything works in their local area. These people should be used for their knowledge. The augmentation of water supply for rural and regional New South Wales is a very important thing and should be implemented sooner rather than later. In saying that, it should be done right. Healthy fish and waterways go hand-in-hand. If implemented correctly, fish farmers and the environment should be able to sustain the water that is stored for such matters as growing food and to keep the system healthy for fish and other environmental issues.

In your terms of reference, you are looking towards the middle of the century; I suggest maybe 100 or 150 years should be investigated. You are also looking at the 2013 review on water storages. I just hope when you have finished this inquiry that I am not back here in five years with some other upper House members who are going over your recommendations and we still do not have any more water stored. Our submission touches on environmental flows, blackwater, cold-water pollution and also the need for fish passage—for example, fish ladders. We believe new dams should have these things in mind. One thing is not in our submission, and that is State Forests and National Parks. These help with the blackwater events as well as water temperature, low water flows and environmental flows at the wrong time.

Environmental flows should not be done just because someone has a certain date of the flow and then the water is released. What should happen is local people should be contacted and this should be discussed between all groups. National parks down our way were grown after the white man came along and these forests were managed by the timber industry. The timber workers kept the forests clean and neat and the debris on the ground was minimal. Now the forests are locked up there is a huge amount of debris laying on the ground and this adds to the black water events as carbon leaches into the water. Prior to the forests being managed by the timber industry, the Aboriginals managed the areas. They were then open country with trees scattered throughout the area. They managed these areas with fire, thus keeping the debris down. When floods come through, the black water events were not as bad as they are possibly today because of the debris that is still lying in the national parks.

Also, we were allowed to take wood out of these forests ourselves for firewood to warm our homes as a lot of the towns do not have gas. This has also been stopped, therefore, you are not cleaning the forest floors as well. Also, cattle were kicked out and they also did clean up a bit of the debris. We understand black water can be a natural thing, but why add to it? It is crazy that we have hundreds of fishing competitions throughout New

South Wales to raise money for fish restocking through our Dollar for Dollar program that we have through our fisheries, and then go out and kill the same fish we have just spent money on by having these extra black water events that another government department helped out with. I hope you learn from the people in their submissions and go on facts that are true and do not put on earmuffs and blinkers just because you have some idea of how things should be. You know you could be wrong. Thanks.

The ACTING CHAIR: Are you able to email your opening statement to the secretariat?

Mr MUIRHEAD: Yes.

The ACTING CHAIR: Can we talk more about the thermal pollution issue, the cold water that you were talking about in your opening address? Can you just expand a bit more on that—what it actually means, how often it occurs and what is the impact particularly on the native fish stock but also on the ecology of the rivers?

Mr MUIRHEAD: Well, they do not breed in the area, but if cold water comes out of the dam, at the bottom of the dam it is cold water because if it is coming out of the top it would be warm. The area it affects is probably closer to the dams—

The ACTING CHAIR: I am from Tumut so I have a fair idea, but we want to help everyone else and those who will read this.

Mr MUIRHEAD: You know when you jump in the Tumut River in winter what happens to you.

The ACTING CHAIR: Yes.

Mr MUIRHEAD: It's not good, is it?

The ACTING CHAIR: It is not good at all.

Mr MUIRHEAD: Especially if you are in them Speedos, but anyway. It can affect breeding. I went barramundi fishing for the first time about 10 years ago and I did not see a barramundi, I did not catch one, the reason being the water temperature was wrong. Fish are very affected by water temperature whether it is for feeding or for breeding. If you are an Eskimo you would not jump out in the snow and breed, you would stay in your hut, wouldn't you?

Mr BEALE: When we done the Hume to the sea Fishway project that has recently been carried out, the Hume and some of the bigger dams have been left off the Fishway to get up, and this thermal pollution, one of the offsets of that is if we have water coming over the top of the dams—warm water—they would breed. At the moment we have got a closed season for Murray cod and other species, so they can breed. But what we are finding is that they are now breeding outside that because they are breeding when it is warm; like nature says—

The ACTING CHAIR: This is when you breed.

Mr BEALE: Yes, that is when you breed, and they do not breed because we tell them they have got to do it in those three months. Because a lot of our electricity comes through turbines at the bottom of dams, Dartmouth and Hume are the two biggest dams that go down the Murray system, they produce the coldest water. If we had that coming over the top, and there is no facility at Dartmouth at all—at Albury there is; it can open gates and there is a humongous amount of gates—so they could be siphoning stuff off the top provided you do something about the electricity somewhere else, of course, and that would stop a lot of this pollution going down the river.

Mr MUIRHEAD: It also affects what the fish eat as well within those areas. It is something that you cannot change in the dams, obviously, but with the new dams you would want something to happen or modify those dams, I am not sure. Anything is better than nothing to try and help the breeding of the fish. We spend millions and millions of dollars restocking. If they could do it naturally we would save the taxpayer and all ourselves some money as well.

The ACTING CHAIR: The other issue I want to raise—a number of the submissions touch on this and we heard evidence yesterday—is to do with bank slumping, where the banks are folding because of the flows, and maintaining the water at a high level for an extended period of time. I am interested in your environmental work along those creeks up the Tumut River.

Mr MUIRHEAD: It is all to do with willow trees. We have been removing willow trees for a long time and people say, "Oh, but they hold the banks together". Actually, the water goes around them and eats around the back of them. A big willow tree will eventually fall over and rip the bank apart. Also, a big willow tree will use about 800 litres a day of water. So you times that by all those willow trees, it is a lot of water, and that is through science—I went to meetings with scientists before we started doing the willow tree removals and

it is unbelievable. I just spent 20 days on a job on the Forest Creek over near Conargo. The silt upstream of these willow trees, you cannot get water through on low water; on high water you can, but on low water you cannot get water through, and the carp live there in those areas as well. The native fish do not like silt and mud and the trees will pull the banks apart.

Mr BEALE: I agree, obviously, but the big thing that I believe is happening is with the high flows that they have got over summer, that is when the banks are most vulnerable; they get soft and fall in.

Mr MUIRHEAD: We also did trials for low-flow water to get into environmental areas. To get water into environmental areas now in the summer you have got to have a high flow, so you are using a lot, a lot of water to get up into the areas that go into the swamps and those areas where you are having your problems or you want water to be for the trees and the bird breeding and things like that, which we all think is good if we have an abundance of water. So we put a regulator in the side of the river or the creek with a big door that you can open and shut. We did trials on it but they stopped doing it.

I think it was funding that stock, but it was saving a lot of water because all you did was open up the gates on a low flow, not a high flow, and you let the water go into the low country and all you have got to do is dig like a little spoon drain, a very shallow drain, into the area—you survey it, obviously, via the low spot—and you can get the water in those areas without using a heap of water. Someone in the Government just knocked it on the head anyway. I have worked with an environmental bloke from Jindera and that is his speciality, he does all the creek research—he has been doing it for 20-odd years; he has canoed all the creeks and he has mapped all the creeks. He is a really interesting fellow to work for and he knows a hell of a lot more than I would ever know.

The ACTING CHAIR: I will hand over to my friend Mr Rick Colless.

The Hon. RICK COLLESS: Thank you, gentlemen, for coming along today. In your submission you talk about "environmental flows should wherever possible mimic the natural flows in the river". How do you believe that should be delivered?

Mr MUIRHEAD: That is a hard one. I did not write the submission.

The ACTING CHAIR: Who is the most senior out of you two?

Mr BEALE: Me—only in age.

The ACTING CHAIR: Well, you get to answer the question.

Mr BEALE: The reason we say "mimic" is because we seem to be putting too many environmental flows down the river to water plants in summer. The red gum forests survive on a flooding every 30 years, and they have for millions of years. But now we seem to be doing environmental flood for this bush to grow flowers, for this bird life in this spot, and another excuse for somewhere else. One of the biggest ones that we hate—a pet hate—is the maintaining of the water level for the Coorong in South Australia. If you have actually travelled the Murray River system from one end to the other, and I have done it, you would be absolutely amazed if you have not done it, what the water does down the other end of the Murray.

It is absolutely clear South Australia would not exist without the Murray River. The Coorong, the environmental flows are going down all the time to keep the water level at—I do not know the exact figure, but it is 0.75 a metre or something, and the reason for that is they can take the water off for Adelaide. That used to be a saltwater estuary, and they put the barrage in. Why can it not go back to being an estuary and they shift the water take-off somewhere else? That is the biggest evaporation point of water in Australia other than Menindee, of course.

Mr MUIRHEAD: Lake Alexandrina.

Mr BEALE: Yes, Lake Alexandrina.

The Hon. RICK COLLESS: It is bigger than Menindee.

Mr MUIRHEAD: Yes.

Mr BEALE: We just think there are too many environmental flows going down detrimental to the time that native fish breed, and that is what we are about. I mean, why would you put an environmental flow down like they did several years ago in February that killed heaps and heaps of fish, because the water was that hot that it went down through the dry streams, and it was boiling. Fish do not survive over 30-odd degrees; they are just not tolerant to it. That is encouraging fish to try to breed when they put the water down, because they breed on flushes, and if they breed on flushes, then the environmental flows should be trying to mimic it where possible. I know it cannot happen all the time.

Mr MUIRHEAD: Because of irrigation, you need water to be going into the seed growth and therefore at a 100 per cent. But also you have to look after, as much as you can, the environment at the same time, which is getting closer and closer. With people working together, I feel it is good. We have all different types of people sitting in here now. I think you all look pretty good, smart people, so you should be getting on together.

The Hon. PENNY SHARPE: Looks can be deceiving.

The Hon. MATTHEW MASON-COX: Speak for yourself.

Mr SCOT MacDONALD: I think you better let the Chairman do the speaking.

Mr MUIRHEAD: But with the environmental flows that you are talking about, the red gum forests do not need to be watered that much. Sorry to Labor to say anything political, but Labor, the Greens, the Coalition that was there a few years ago got it wrong. You are killing the forests by overwatering them. They do not need it. When I pull willow trees out of the area, the red gums are like hairs on the back of a dog. They are unbelievable how they pop up. I say to farmers, "You want to go through there and cull some of them. The trees will be useless because they too close together." It is starting to happen now in the forests. If you take tourists through the forests—I used to hunt and fish in these forests. I do not go to them anymore, the national parks around Deniliquin and places like that, a farm at Millewa and Werai State national park. I used to be able to go in there hunting fish. I do not go there; I go to Victoria. My money does not go to Deniliquin anymore.

The Hon. RICK COLLESS: Is it fair to say that when there is a fresh in the river, and I do not mean a flood fresh, a half quarter bank fresh or something like that, that is the time they probably should be putting the environmental flows down, when the river life is expecting the water to come?

Mr MUIRHEAD: Yes, of course. It is a hard thing to get it right, but, you know, I am sure if we all listen to each other and we all talk about it, we will get it right. It is like those low flow regulators I was talking about. You do not need millions and millions of megalitres go down the river and waste it. Also, with the environmental flows, it is a big thing. If a farmer wants water downstream—from however far it is—it should be part of an environmental flow as the water gets to the farm because there is already water in the system. If you go and put more water in the system just because it says "We need an environmental flow today" because it is there on the document and you push the release button, it may not need it. It may be really right, and you do not need it. So you have got water for a later date in the storage, possibly when you do need it. I would like to see more storage, personally, but we need to be not wasting the water. You can still do it for everyone if you do it at the right time. The environment and the fishes are getting it as the water is going through to the irrigation.

Lake Alexandrina should be part of the Murray Darling Basin. It is not; it is not in the equation. It should be in the equation because it is an evaporative bowl. End of story. It used to be a really good fishery. They used to have mulloway, a fishing industry for mulloway in that estuary, and it was a big industry. They put 7.5ks of concrete walls in, and they wonder why the Murray mouth fills up, because there is no flow in and out. If people do not listen to facts and people get told lies and then believe it, the person who is telling the lies and gets the media going, everyone goes, "That must be how it is." If you look into the facts—I believe if I make a mistake, and you can prove to me, Mick, that I am wrong, I will change my mind. People should be like that. They should work together. Sorry about going on.

The Hon. RICK COLLESS: You talked about trying to investigate more water storages on these rivers. Obviously as a couple of blokes who have been up and down the rivers fairly often as you have been fishing and so on, do you have any suggestions as to where these storages should be?

Mr MUIRHEAD: Not personally, no, because I think the engineers and the people that would be living in the Tumut area would know more. When I am going away, I am having a fish and I have a couple of beers, so sorry about that. I am not there studying the water storages.

The Hon. RICK COLLESS: That is a different dam.

The ACTING CHAIR: I remind you, Mr Muirhead, you are under oath.

Mr MUIRHEAD: Sorry, that is the truth of the matter.

Mr BEALE: We have talked in the past about Lake Hume, because it is a huge storage. There often has been talk of a small inner dam at Tallangatta on the other meter arm. It would help slow down the cold water into the weir. It would keep back another 20 per cent for drought times and let the other one drain, and give it time to settle before it comes in the back of the weir. That has been talked about 40 years ago. It still gets talked about. I do not know why it does not go ahead. It is sequel. It is within a structure. It is not hard. The other one

is down near Renmark and the people down there will not thank you for it, but this side of Renmark, it is like the Grand Canyon for a long time, back towards Mildura.

The Hon. RICK COLLESS: Is that the Chowilla Dam?

Mr MUIRHEAD: No, you mean the Murray River, do you not?

Mr BEALE: The Murray River.

Mr MUIRHEAD: He means the Murray River. It is like a big dam down there.

Mr BEALE: You could dam that up a lot higher. There are smaller ones, but not a decent one.

The Hon. RICK COLLESS: Thank you.

Mr MUIRHEAD: I am into earthmoving. You could put big turkey nests alongside of places and in the really big flood, you could be taking water out into flat country. You would not have to have a dam. You could have turkey nests. I will put a quote in for it, if you want.

The Hon. PENNY SHARPE: I am interested in the temperature control curtain at Lake Burrendong. I do not know what that is. Can you explain to me what it is, how it works and who paid for it?

Mr BEALE: That is one I would have to take on board and get back to you, because Terry put it in here. We have talked about it, but that is as much as I know, to be honest.

Mr MUIRHEAD: I do not know about that.

Mr BEALE: I know it was something they trialled that is actually working.

The Hon. PENNY SHARPE: It sounds promising, that is why I was interested.

Mr BEALE: Yes, it is working.

The ACTING CHAIR: Can you take that on notice?

Mr BEALE: Yes.

Mr MUIRHEAD: Yes, we can probably find that out.

The Hon. PENNY SHARPE: In respect of cold water pollution, what opportunity, if any, do you have to talk to people about this matter? Is there a structured way that you can do that, or do you have to bail up people when you see them around?

Mr MUIRHEAD: We go to agricultural shows. Next weekend at Henty there is a four-wheel drive and outdoor show. We have got a stand there. We talk to people. We put media releases out through the media. We talk on the radio. Terry Maloney talks on ABC Riverina as well. He is another superstar. So we just try to communicate with people.

The Hon. PENNY SHARPE: But you do not have a formal opportunity. So much of what we have heard over the past few days has been people saying they just need an opportunity to talk to someone to explain the issue and see if there is any room to move on it. That is one of the biggest things we need to recommend. You do not need just more consultation; you actually need to get these people in the room because they know what they are talking about. You might not always be able to help them but you should at least be considering it given all the money we are putting in at the other end to try to get more fish in the river.

Mr MUIRHEAD: We just try to communicate with people.

Mr BEALE: We do write to the Minister. We have a fair bit to do with the Minister at the minute over paper roads. We have been into that big time trying to get access to the rivers. Whoever we think we can get an ear with is basically who we—I suppose the word would be—attack, because that is what we have to do. That is why we put a submission into this. It is probably not the ideal forum for us to put something up but it is a forum for us to have a free shot.

The Hon. PENNY SHARPE: I think the points that you raise are well within what we have been discussing over the past few days.

Mr MUIRHEAD: It is a pity Terry Maloney, our secretary, is not here because he has been the secretary of the south-west for a fair while and he is a fairly knowledgeable man. He just could not make it.

Mr BEALE: To get back to that one on the storage, we are like everyone else. Whether it is environment or irrigation. I am involved as a parts manager. I had a meeting yesterday about targets for my year and my crystal ball of ordering parts for farmers for what they might need in December this year. It is a crystal

ball at best because you have got to cement whether we are due for a dry year or a wet year and I am gambling my boss's money on it. But one of the big things that keeps getting pushed to us is that the population base is growing at a phenomenal rate. We need to feed the people. We need more storages in this country. We need governments, whether it is the one in power or the one in opposition, to get together and do something like we did with the Snowy scheme. It is badly needed in this country now. Whether it is New South Wales or it is a collective of States, it has got to happen or we are going. At the moment we have got overseas people buying up all our irrigation land. That is fairly common knowledge. It is not an untruth. They are only buying that to feed their population in China, we will name it. We need more storage. If we do not do it I think we are failing.

The Hon. PAUL GREEN: I think Ms Sharpe's question has even more to do with the authority over the releasing of water and how it impacts your fishing and the fish life. Do you not get invitations to contribute to those discussions?

Mr MUIRHEAD: We talk to Fisheries all the time but there is a Minister, so it has always got to go to a Minister, doesn't it. You actually get sick of this. It takes a lot of time and money. It has cost me \$1,000 today, if not more. You do it but it is like banging your head up against a brick wall sometimes. I have been doing this for 15 years. I am in my own time doing this sort of stuff and it is does get tiring.

Mr BEALE: We used to go to the every five year review on fishing in the Murray-Darling Basin. The last one was at Canberra. That is some years ago now. They disbanded it through lack of funds, or a different government, they do not care, it just died. We do not have that forum. The only forum we have is we approached the water Minister and in New South Wales the one Minister does most of it. That is where we are stuck.

Mr MUIRHEAD: Also you change Ministers a fair bit and it is really annoying because you just educate one and another one has come and gone. The same with leaders, Premiers. Look at your party. How many people did you—

The Hon. PENNY SHARPE: They are on their third too.

Mr MUIRHEAD: I was just about to say that. I will give it to you both of you really.

The ACTING CHAIR: They picked up our playbook and decided it was a good read.

The Hon. PENNY SHARPE: They should have learnt.

Mr MUIRHEAD: I think people need to sit down and get on and it not just be a party thing. It needs to be a joint Australian thing that we move forward.

The Hon. PAUL GREEN: My understanding for your paper roads situation is Minister Toole is now the Minister for the paper roads issue through Crown Lands. It is no longer Niall Blair, just for your information.

Mr MUIRHEAD: Thanks for that.

The Hon. PAUL GREEN: We just did an inquiry and I know that paper roads were an issue. You might need to hook up with the new Minister.

Mr MUIRHEAD: We are going to have to. But we have had a really good win. The farmer will not conform to allow access through to get to the creek to fish. We have offered to pay for fencing and making sure only sensible people go there. The Government has allowed it all to work and an Aboriginal group has come in now and said that we don't understand it and we don't know what to do and so they have shut it down.

Mr BEALE: It has got a claim.

Mr MUIRHEAD: You hit a brick wall. On one of my environmental jobs I got shut down for six weeks because people do not understand. It is just something silly. It was six weeks. You get frustrated.

Mr BEALE: When we talk paper roads, we have got one through Lands. We claimed two roads and we did a concession with the then Department of Lands to keep one road and let the other one go because it was logical and common sense to have give and take. Now we applied for it to be surveyed. It cannot be surveyed because Lands says they have got no money. It has come back to us to Fisheries. Now Fisheries have got to go back to Lands. It is just head banging. We do not know how to get around it.

The Hon. RICK COLLESS: Is that one on the upper Murray?

Mr MUIRHEAD: Yes.

The Hon. RICK COLLESS: I know the one you mean.

Mr BEALE: That is the one that the Aboriginal one shut down.

Mr BEALE: No, the Aboriginal one is at Twelve Mile.

Mr MUIRHEAD: My mistake. Yes.

The Hon. PAUL GREEN: In an ideal world how would you like to connect to give your input on the issues you are representing today? What would be the ideal situation for you?

Mr BEALE: If down the track the Parliament takes on board your recommendations and they form a private committee, if you want to call it that, so that it is not apolitical, I think someone from recreational fishing should be on it. Same with irrigators and environmentalists and all the rest, you need to have someone on the committee. There are a lot of blokes within Fisheries and a lot of private anglers who are far smarter than me that could well and truly be a benefit. I suppose as an umpire, I suppose you would call it.

Mr MUIRHEAD: To keep the thing moving.

The Hon. PAUL GREEN: So that you have a voice at the highest level.

Mr MUIRHEAD: Yes. We would jump on it not a problem.

The ACTING CHAIR: I want to discuss the willow tree removal program, how it affects the environment and the amount of water they each use. For a long time I have been an advocate of getting rid of the willow trees and stabilising the banks with natives and things like that. Can you give us idea of the extent of that program and where you source the funding from for that?

Mr MUIRHEAD: The job I did on the forest creek, I was there for 20 days. I have a 20-tonne escalator. I have a semi tipper. We have fishing boats. We use chains and grapples on the machines to remove the willow trees. There is a creek group called Yanco Creek and Tributaries Advisory Council [YACTAC]. The farmers pay a levy on their water delivery. They pump out of the creeks. This fellow I work for who is from Jindera applies for grants as well that help pay for the removals. It is not a cheap thing to do but it is well worth it. We do jobs that are 600 metres or 700 metres long and you can walk the whole thing without getting your feet wet on a low creek because the root mat of the willow trees is unreal. The way a willow tree works is that it will drop a limb and another tree will grow off that or if it falls over it will just keep creeping. It is unbelievable. It stops water and it destroys the fish habitat.

The ACTING CHAIR: My last question is to do with European carp. The eyes just lit up then.

Mr BEALE: Yes. I had in my notes that I did not read to bring that one up.

The ACTING CHAIR: Go for your life. You have a couple of moments. Tell us.

Mr BEALE: This is futuristic—we are about to embark on letting go a virus to eradicate carp. That is what is produced in the media. That is not true. The figures on that is not a total eradication. It will only kill 90 per cent of the carp between certain temperatures. The rest of the offspring survive and breed and so on and are immune to it. If they are above or below the temperature—whatever it is—then they can breed and whatever they breed is immune. We know that if you take a million carp out of here, they are nearly back within two years. Stevens Weir is a classic. They take tonnes and tonnes out of there and think they have won and then the next time we have a flood there are that many again. This virus is going to do the same thing. The biggest thing we worry about with the virus is not genetically going to other species. We were worried about that and we still think about it but the biggest thing is the blackwater event that could happen out of it.

The ACTING CHAIR: Is that where they die and float to the top?

Mr BEALE: When they die or do not float to the top they go to the bottom and they rot, and that takes the oxygen out of the water.

Mr MUIRHEAD: I went to a forum over at Barham a fortnight ago and they had the bloke that is trying to implement it—I cannot remember his name. He is a very interesting young fellow and knowledgeable. I asked him the question. Because they are going to start at the bottom end and work their way up because of the direction of the water—you want to do it slowly—I said, "What happens if someone comes along, grabs a heap of fish out of Lake Alexandrina when they have been affected and they pop them all along the whole system?" It is a hypothetical thing. You are going to have a major blackwater event that would be unbelievable. It would kill so many fish that we would not be fishing for a fair few years and it would be devastating. He said, "That could happen but we are going to try to police that."

Mr BEALE: The biggest question with the event—if it happens and I think it is a when—is every native species that dies from lack of oxygen through the carbon coming in and the blackwater is adding to the

demise of their own species because they are now floating and rotten. If the figures Fisheries produce saying it is carp are 80 per cent or 90 per cent biomass out of what they electrofish—they catch on the top of the surface—because Murray cod, for example, they sense vibration in the water and they disappear: "You are not going to zap me. I am too smart for that." So they catch the carp because the carp is up near the top. So of course 80 per cent or 90 per cent of everything you ever catch is going to be carp. It is a no-brainer.

Mr MUIRHEAD: That is not saying that there is that much. In the Murray River after the drought broke you just did not catch carp at all. You are still not really catching carp in the Murray River around our way. Down further you may be, but we are not. In the creeks and lagoons where they breed, you could say there is nearly 100 per cent in those areas.

The Hon. PENNY SHARPE: Are you arguing that you do not think this virus should go out at all?

Mr MUIRHEAD: We are worried.

Mr BEALE: We are very worried on behalf of every town along the river. Every town along has got their water coming out of it. One of the things about water storages is people are not concerned about—every new house that gets built should have underground storage off their roof under the garage as a requirement. A lot of shires do that now. If that was done that would be a lot of water saved. It is not going to be the annual usage of a household. It is going to be a percentage. That percentage in value will be unbelievable. Getting back to the carp, if the carp die, how long is the water going to be putrid for? And does every town have a filtration plant that is going to look after it? It is not going to be a week. It is going to be—

Mr MUIRHEAD: There is a lot of water out there.

Mr BEALE: There is a lot of water and it is going to be a lot of time. And people are already complaining about the fish that died in a blackwater event in Hindmarsh at Coorong. There are plenty of photos around of that. That would be an absolute tip of the iceberg compared to what you would see. That would be a worry.

Mr MUIRHEAD: We are a little bit wary of it.

Mr BEALE: We do not want to say, "Do not do it." But no-one wants carp.

The Hon. PENNY SHARPE: Fair warning—it is more concern. I am not suggesting that for a minute. I am just interested—if not that then what.

Mr MUIRHEAD: They tested the virus in Australia for eight or nine years in a laboratory. Why not throw it out in the real world? They tell us this virus will not jump. It might mutate after 20 years. Who is to know? And when you ask that question and they say, "No, it probably will not."

The Hon. PENNY SHARPE: Like cane toads.

Mr MUIRHEAD: There is a slight probability but we do not really like that idea.

Mr BEALE: Just to wind up, we are the only country in the world that is trying to eradicate it. Everyone else is trying to find out how to kill the virus.

Mr MUIRHEAD: Because it just went around the world virtually by itself. They eat carp in certain countries and it wrecked their industry.

The ACTING CHAIR: Gentlemen, thank you very much. It has been most entertaining. Thank you for your submission and your attendance today. We appreciate your contribution.

Mr BEALE: One thing before we go, regarding the question I have taken on notice about the curtain in Lake Burrendong, do you want me to answer that or Terry?

The ACTING CHAIR: The secretariat will be in touch.

The Hon. PENNY SHARPE: Do not do a lot of work. If there is anything you can send, I am just interested.

Mr MUIRHEAD: Yes.

Mr BEALE: Okay.

The ACTING CHAIR: The Committee has resolved that answers to questions taken on notice be returned within 21 days. The secretariat will contact you in relation to the questions you have taken on notice. Thank you very much.

(The witnesses withdrew)

PAUL ROSSETTO, President, Yenda Flood Victims Association, sworn and examined:

Mr ROSSETTO: I also have extra comments regarding some of the issues we have spoken about today.

The ACTING CHAIR: Would you like to make a short opening statement?

Mr ROSSETTO: Yes, thank you. Thank you acting chair and members of the General Purpose Standing Committee No. 5. Thank you for allowing me the opportunity to give evidence to the inquiry today. It is an honour and privilege to assist you and your committee members and, by extension, the hard work the Government is doing on these issues. I sincerely hope that what I say today resonates within your hearts and humbly request Government assistance in dealing with the following matters. Last council term I had the privilege of serving on Griffith City Council and as one of my last motions with the majority support of my council colleagues, moved and had the Griffith City Council supplementary submission commissioned for this inquiry. Source: Ordinary council minutes, August 2016.

My second cap today is the Yenda Flood Victims Association President and I supplied another submission in relation to clauses (d) and (e) of this inquiry. I am also Secretary of the Yenda Progress Association. I live in Griffith and my fulltime occupation is an almond grower at Yenda. I have been there for the last seven years and prior to that I was a wine grape grower for 28 years. I held positions on the New South Wales Wine Growers Marketing Board from 1992 to 1995, the MIA Irrigator's Group 1995 to 1997 and MIA Council of Horticultural Associations from 1992 to 1997, to name a few committees. We meet here today amidst a town that is buzzing again with activity reminiscent of last century. People are busy working, investing in machinery, leasing or purchasing land and growing crops. Why has this activity come about? Rain, plenty of rain has filled our dams to overflowing and provided full irrigation allocations again. Agriculture is back in business. To demonstrate the importance of agriculture to Australia, I wish to quickly read a couple of paragraphs from yesterday's ABC news entitled "GDP Forecast: Australia set to dodge recession as current account deficit shrinks to '70s levels".

The top paragraph reads: "A surge in commodity prices and exports, as well as reasonable government and household spending, are almost certain to keep Australia out of recession." If you turn over the page, the top paragraph talks about the sectors that are contributing to Australia's improvement and one of them, at the end of the sentence, "Net exports will add 0.2 percentage points." If you look at the graph, the black line is "trade", of which we all know in the last six months, with the rain we have had, has contributed to the agriculture sector and has helped Australia once again pull out of recession. I just want to set the tone for what we feel is happening in this town this year, that we have got plenty of water, and that is what we would like to see happen in the future. On page 2: "(a) Investigate the requirement for water equation". "Firstly, I wish to acknowledge the excellent Griffith City Council supplementary submission prepared by Booth Associates." The principal, Mike Ryan, was here this morning.

Mr Ryan has demonstrated without a doubt several key points:

- (i) Numerous organisations at state, regional and local level recognise the potential for New South Wales economic and social growth.
- (ii) He established a formula, yield x area x price.
 - A. Yield is increased by increased water availability.
 - B. Area is constrained by existing land use and legislation.
 - C. Price is subject to global markets and difficult to influence.
- (iii) A water equation (supply and demand) is essential in planning future requirements for social, economic and environmental needs.

Dot points:

Increased water availability is the agreed variable likely to lead to success in achieving the 30 per cent growth target.

That most organisations are spruiking.

Government failure in planning for sustainable production underpinning social sustainability is apparent. As witnessed last week in Federal Parliament re: the present 450 gigalitre debate.

In contrast just a last week the principals of water investment companies were in town promoting their water investment products to potential investors.

And they were talking about acquiring water without paying a deposit and "pay later" and all these gimmicky schemes, so that is a worry. Turning over—do you want me to keep going?

The ACTING CHAIR: Mr Rossetto, I take it you are reading this 19-page document you have circulated?

Mr ROSSETTO: Yes, the guts of it is the flood issue, if you would like me to jump to clause (d)?

The ACTING CHAIR: If you can just do that flood issue (d) and then we could go to questions because otherwise you will take up all your time reading a document that could be tabled.

Mr ROSSETTO: Well, only 30 minutes and then you have got 15 minutes for questions.

The ACTING CHAIR: Unfortunately that is not how it works. If you could table that, and we can work through the stuff. If you can just do the bit around the flood that you want to do and then we will go to questions. Otherwise, we do not get a chance to ask the questions.

Mr ROSSETTO: Thank you for letting me do that introduction.

- (d) Examine the 50 year flood history in New South Wales, particularly in northern coastal New South Wales including financial and human cost.

In acknowledging the excellent Griffith City Council submission and Yenda Flood Victims Association submission written last August, I wish to provide the committee with an update on the present inaction of the Yenda, East Mirrool Regulator [EMR], the source of the devastating 2012 March Yenda flood that devastated 450 homes, 100 farms, 12 businesses and several public buildings including three schools.

Next month on March 5, 2017 it will be 5 years since Yenda was inundated by Mirrool Creek flood waters not being able to traverse the Murrumbidgee Irrigation main canal due to the decommissioning of cross flow flood gates and the inability of the under canal syphon to mitigate the large extent of the flood. At least a 1 in 100 Annual Recurrence Interval [ARI] flood.

At Griffith Ordinary Council meeting in December 2016, the new council resolved to seek a revision of scope of an OEH \$400,000 grant because the new council was not interested in proceeding with the old council's resolution for a design study for a 1 in 100 ARI syphon-flood gates solution as recommended by WBM BMT consultants. Source: Griffith Main Drain J and Mirrool Creek Flood Study.

A document of which I think you have a copy.

On page 7 there is a photograph of the consultant's recommendation and you will see there, where the pink slip is, "Primary design of EMR Upgrade (either gate upgrade or syphon option)."

The Mayor and General Manager supported by a new caucus of councillors argued that the 1 in 100 ARI recommended solution was far too expensive to consider and preferred replacement of the decommissioned crossflow gates, providing only 1 in 50 ARI flood mitigation capabilities. The mayor believes he has the verbal support of Murrumbidgee Irrigation Limited. The General Manager and director of Utilities believes with written emergency protocols in place they can breach the Main Canal to add a further 1 in 50 ARI mitigation capability if required. Unfortunately those emergency protocols have not been written yet.

Furthermore the notion that a canal breaching protocol can substitute for a good and proper flood mitigation planning makes a mockery of the 2005 New South Wales Floodplain Manual Guidelines.

An Office of Environment and Heritage [OEH] officer present at the last Griffith Floodplain Management Committee meeting on November 2016 believes council's request for a revision of the \$400,000 grant will be rejected by OEH. Council will then decline the \$400,000 OEH grant. Council will then have to reapply for the renovation of the decommissioned flood gates. This process will take another six months.

The State Emergency Services [SES] Emergency Act 1989 provides for the evacuation of Yenda again if another Level 3 emergency situation arises. 'Water level at 3 metres and a breach occurs is deemed life-threatening'. Which is what happened in 2012. Inaction on the part of Council and Murrumbidgee Irrigation (present management excluded) led to a call by the SES to evacuate Yenda. The cycle is set to repeat itself.

After four years of hard work as a councillor in the previous Griffith City Council term and representative on the Griffith Floodplain Management Committee to say I am feeling frustrated and disillusioned would be an understatement.

From the very first GFPMC meeting following my election to Council in September 2012, I was prevented from attending the meeting by the General Manager claiming I had a conflict of interest, being President of Yenda Flood Victims Association. I complained to the Mayor by lodging a Code of Conduct complaint against the General Manager, Mr Brett Stonestreet and was subsequently allowed to attend future GFPMC meetings.

However, the stalling tactics didn't stop.

In 2013 I lodged a formal complaint to council regarding Murrumbidgee Irrigation's placement of 200 tonnes of soil in front of the decommissioned flood gates thereby restricting the gate's overflow capabilities and therefore illegally blocking the natural water course.

Murrumbidgee Irrigation Limited was in violation of Division 91D, Floodplain Management 2000 Management Water Act.

I will not read through all that. And also they were in breach of the Crown Lands Reserve Trust Handbook section 6.5.3 Water Management and "the Trust maintains minor flood gates and other water courses in good repair and efficient condition". There is more legislation there which I will not read. In 2006-07 during the millennium drought, the soil was placed in front of the flood gates under the auspices of MI management team of Dick Thompson, Brett Tucker and Rob Kelly, the environment officer overseeing the \$30 million Mirrool

Creek beautification project and Barren Box Swamp irrigation cell construction project. I also mailed this information to our local member, Adrian Piccoli MP, to be passed on to the Minister for Police, but never heard anything more of it.

Following the 2012 flood, Murrumbidgee Irrigation [MI] replaced the soil because it was eroded away by flood waters, but did not peak it up—only compacted it to form a solid bank suitable for irrigation requirements. Further lobbying of council saw MI forced to remove the soil to allow at least three boards of overflow capability. The photo of it is on page 8. If you look in front of the structure in that photo you will see a nicely compacted roadway of dirt. That prevents water from flowing into those boards. No fines were issued to Murrumbidgee Irrigation Pty Limited, notwithstanding the immunity granted MI under section 733 of the Local Government Act 1993 and, under indemnities, Division 75:

- (1) a person does not have any right to claim relief of any kind whatever in any legal or other proceeding against an irrigation corporation or officer or employee of an irrigation corporation in respect of any nuisance connected with or in any way arising out of
- (b) the destruction or damage, or partial destruction or partial damage, by flood, storm, tempest or otherwise of a work owned or controlled by the Irrigation Corporation ...

That clause stopped our group from taking a class action against MI.

The ACTING CHAIR: Mr Rosetto, a brief opening statement is no more than a couple of minutes. You have now been going for 15 minutes. Are you able to table this? We are here to ask questions. This could be tabled and we will get to read it, as well.

Mr ROSETTO: Sure.

The ACTING CHAIR: You have tabled that with the secretariat.

The Hon. RICK COLLESS: I am trying to get clear in my mind, Mr Rosetto, how this whole thing works. There is a photo.

Mr ROSETTO: That is on the back page, page 15.

The Hon. RICK COLLESS: It is of Mirrool Creek.

Mr ROSETTO: It is the junction with Main Canal.

The Hon. RICK COLLESS: Can you explain it to us, using that photo. The Mirrool Creek is there. I assume the water in the Mirrool Creek runs from the top right-hand corner towards the bottom left-hand corner in that photo.

Mr ROSETTO: That is right.

The Hon. RICK COLLESS: And the Main Canal there runs from the bottom up to the top. Is that correct?

Mr ROSETTO: That is correct, and the Main Canal runs from right to left. There are six structures in that whole complex. Where you see the white water that is the new regulator built by Ian Causley in the late nineties, costing \$2 million. The next structure, near that yellow bit, is the old regulator boards. It also encompasses the under-canal siphon that only emits 1,500 megalitres of water a day. That is the restriction. It has only a one in 20 capability. The other structure is where there is a right-hand fork in the creek below the Main Canal. To the right-hand side of that is the decommissioned gates. They were not operational in 2012. They were operational to three boards in 2016.

The Hon. RICK COLLESS: Can you explain how that original system, which has been decommissioned, worked? When there was a flood the water was forced down the canal. Is that correct?

Mr ROSETTO: No; there are five streams that flow into the canal—three creeks to the north and two runners: the Colinrobbie runner and the Dalton runner. The Dalton runner enters the creek at about three or four kilometres east of that point. It choofs down the Main Canal like a steam train. There is another structure there, which is quite grey. It is not that big. It is a bit of concrete that you can see; it is a pad. There were two opposing boarded structures that were transverse in nature, that allowed the flood water to flow across the Main Canal. The one with the red line is 50 feet in the old terms—eight boarded gates at six feet—48 feet plus the concrete.

The one opposing it was not quite as wide—about two-thirds of the width—because they were allowing for the Dalton runner in the Main Canal. Altogether that structure, with the under-canal siphon, would give a capability of one in 50 ARI flood mitigation capability.

The Hon. RICK COLLESS: Just so that I am clear about what happened in 2012 let me ask you about this. The water that should have gone across the canal and continued on down Mirrool Creek was, in fact, diverted back towards Yenda. Is that correct?

Mr ROSSETTO: Yes. There is another little canal that runs off to the top of the page. That is called the northern branch canal. This bank is one metre lower than the Main Canal. These banks are about three metres high; the Main Canal's banks are four metres high. When the water went nowhere—except that it breached a little bit further at the Parisotto farm after probably 24 hours—the northern branch canal, being lower than the Main Canal, was overtopped, and water travelled down to Yenda, which is about seven to eight kilometres to the west. It took 24 hours to get there and it flooded Yenda. Yenda was inundated for about a week. It took that long to drain out.

The Hon. RICK COLLESS: So the flood water then split into both canals, did it, and then overflowed?

Mr ROSSETTO: It just overtopped all the banks.

The Hon. RICK COLLESS: It overtopped all the banks and headed towards Yenda.

Mr ROSSETTO: It became like an ocean. When I stood there on Monday at lunchtime and looked out I could not see any canal there; I could only see tree tops. Looking to the east, it looked like an ocean. It was overtopping the northern branch at 20 kilometres. It was overtopping everywhere there was a low spot. It even travelled around the Binya State Forest and was entering Yenda through the forest and down the Burley Griffin Way, jumping the railway in two places and then going down Cemetery Road. So it was quite an extensive flood. The only way to fix that—I have suggestions at the back of the evidence there—is to work together with the Office of Environment and Heritage. I believe it is a State Government project. It is too big for council and it is probably too big for MI.

They are taking the cheap way out by renovating the 50-foot gates and fixing up the other gates that they put in in the late 1990s. They are gravity gates and they only fold down. In 2012 the flood water lifted them back up and closed them off. So they have to be renovated, as well. Sluice gates would be the way to go. I have spoken to Rubicon Water, the company that makes them, and they said that they could weight them down. Having a cable, and being gravity operated, they will come down by gravity. I organised the guy to speak to MI. I think he did, because MI is buying Rubicon products all the time. It is a State significant project. There is also the issue about the old under-canal siphon. It is 101 years old. It has concrete cancer. The red line—

The Hon. RICK COLLESS: Sorry to interrupt you. Is the under-canal siphon to allow the water in the creek to go under the canal. Is that correct?

Mr ROSSETTO: Yes. That is for minor floods—up to one in 20 ARI. So you are not interfering with irrigation water that is travelling down the canal. Small floods have the ability to go under the canal without impacting anybody, or even the irrigation flow. Large floods build up, and obviously the canal has to be shut down and there needs to be some ability to do a cross-flow of the Mirrool Creek across the canal.

The Hon. RICK COLLESS: To force the water to go down a creek, not down the canal?

Mr ROSSETTO: Yes. It is all done by gravity.

The Hon. RICK COLLESS: Yes, I understand.

Mr ROSSETTO: If the canal was not there that would be a natural watercourse. I liken this system to the old wooden wagon wheel. Other areas like Deniliquin, have pneumatic tyres on their Lawson siphons, but we are still struggling with a wooden wagon wheel here, and we need to renovate it. We need to come into the twenty-first century with the new modern system that will do us for the rest of the century. We need to fix the flood mitigation problem and the ageing irrigation structure that will collapse one day. I would hate to see it collapse in the middle of an irrigation season.

With respect to the red line on the photo, if we went for the one in 100 ARI floodgates, it would encompass the old under-canal siphon around the back, so when it collapses, the gates will be there, in place, and there will not be a major disruption to the irrigation system. There are 2,000 mega litres of water going down there every day, and in the middle of summer those plants are dying for a drink. You are flat out going more than two days and your plants will start suffering, especially if you are on drip irrigation and supplying every drop of water that they need on a daily basis.

The ACTING CHAIR: I want to explore with you the issue about the post-flood works that were required. In the information you have tabled you talk about the ratio of \$10 post-disaster for every \$1 spent pre-disaster.

Mr ROSSETTO: Yes.

The ACTING CHAIR: You also talk about how two schools were built, funds were donated for a memorial hall and the gravel road resheeting program that the Griffith council had to undertake afterwards. There is a regular theme to the submissions and testimony to this inquiry about the issue of post-flood rehabilitation and the fact that government funding allows restoration to the pre-flood standard. It is very difficult, almost impossible, to get betterment funding so you can make sure that it does not happen again by building a higher bridge or viaduct or better infrastructure. You also talk about new electronic switching gear. What do you say should happen with post-flood disaster event funding for projects?

Mr ROSSETTO: If you take this example, the Yenda district and township lost \$90 million to \$100 million. In the one in 100, or even the one in fifty, it is somewhere between \$2 million and \$10 million. So normal economics tells you that if you spend \$10 million you are going to save \$90 million to \$100 million every one in 100 years but that is not going to be in 99 years—it could be next year. In that regard it is good economic sense to do a stitch in time saves nine—to use that anecdote. As far as the betterment funding, the standard is one in 100. Floor levels are set around town in the planning department at one to 100 and most flood projects are set at one in 100. One in 50—I do not know how old—is very old. So if we are going to go to a new standard—the Office of Environment and Heritage [OEH] also works on one in 100 annual recurrence intervals [ARI]. That submission I quoted came out of Floodplain Management Australia. That was the one they put up to the Federal Government I believe. I was also part of that representing Griffith City Council.

The ACTING CHAIR: Organisations such as BlazeAid come into assist immediately after a significant bushfire event or to assist farmers in putting up fences, with stock and feed, et cetera, but there does not appear to be anything similar for post-flood events. What sort of assistance and help did you get from the broader community post this significant event?

Mr ROSSETTO: Yenda got lots and lots of support. The actual memorial hall was overfilled with donated clothes and household goods and things. Various churches came in from out of town and gave support. Many, many organisations—for example, the SES spent a lot of time washing down driveways, cleaning up the town before they would let people in just to help with that traumatic re-entry of their premises. So we cannot complain about the after-flood assistance that we received. There was a \$1,000 grant available from the Federal Government; as much as could be done. Our problem is that we can foresee and plan ahead, especially on the floodplain committee, and you watch good videos like the Gosford City Council DVD on flood planning and the three steps that they go through—it brings tears to my eyes just how simple it is—yet councillors, bureaucrats, politicians have not got the money to put ahead to save 10 times down the track. It is frustrating.

The ACTING CHAIR: How many floodplain management committee meetings did you attend?

Mr ROSSETTO: Of the Floodplain Management Association [FMA]?

The ACTING CHAIR: Yes.

Mr ROSSETTO: In Sydney, two or three. I attended two conferences—one was in Nowra I think last year.

The ACTING CHAIR: Do you think they were valuable?

Mr ROSSETTO: Very. As a councillor it is great to attend with information experts coming from all around the world and networking, talking to them, and lots of workshops in whatever you are interested in. Also to speak with the OEH officers there and ask what the processes are going forward, how we apply, what the waiting list is like, and how we can get things done. Yes, I found it invaluable as a councillor.

The ACTING CHAIR: In the original submission you provided to the Committee you talk about the Office of Environment and Heritage.

Mr ROSSETTO: Yes.

The ACTING CHAIR: You say, "OEH had a \$9 million surplus unallocated to the A-list in the 2013-14 financial year."

Mr ROSSETTO: That is right.

The ACTING CHAIR: "And the Government took back the unallocated \$9 million from the previous financial year."

Mr ROSSETTO: The reason for that is because most councils were not shovel-ready. Like us they took—we are now five years and we are now reapplying. Other councils had that lag time, they were not shovel-ready. The Government had I believe \$23 million available back then and only \$14 million or so was

allocated, so \$9 million was surplus. But then after that the money seemed to reduce; it wasn't available. Mr Gordon said this morning that there is about \$10 million per year available.

The ACTING CHAIR: Do you have any suggestions or recommendations as to how that process could be improved?

Mr ROSSETTO: More money. It is not rocket science.

The ACTING CHAIR: Or carryover the surplus for further projects?

Mr ROSSETTO: Another problem too we had—this is in the additional submission—is that they moved the goal posts. We were gearing up to have our application ready by June 2014 and the goal posts moved to April. We missed out on the deadline and had to wait another 12 months before we could apply. Consistency builds confidence; information or knowledge is everything. If you have got officers travelling up and down every three months speaking with the officers of OEH and they are working hard with their committees, it has all got to be built on a very reliable and secure system that does not change the goal posts. That does not drastically reduce the money one year and then all of a sudden you have got 80 councils waiting, council terms change and councillors change and you lose knowledge—like myself, I did not get re-elected so I am not involved any more.

The ACTING CHAIR: How much time and effort did the council's staff put into the OEH grants process? I am trying to work out the hours or the dollars that the council would have invested in that.

Mr ROSSETTO: I would not know that. We had quarterly meetings of our floodplain committee. It would be a question for council as to how many hours they actually put into it.

The ACTING CHAIR: Do you think it would be significant?

Mr ROSSETTO: There are two people involved: the director and also his underling, who has also a PhD in flood design. We are quite fortunate to have such a knowledgeable person and I would dare to say that he would be very well committed to the flood duties of our council.

The ACTING CHAIR: A substantial amount.

Mr ROSSETTO: They are also submitting an abstract paper at the Newcastle conference in May, so there is extra work.

The ACTING CHAIR: Let's go back to exploring the sluice gates option. In the submission that you have handed up today you mention Lawson's Siphon?

Mr ROSSETTO: Yes.

The ACTING CHAIR: Is money the reason you are going for the sluice gates or are you looking at other functionalities as well?

Mr ROSSETTO: That is a good question and "functionality" is a good word as well. We are learning as we are going along. I have been involved for four years—five years if you include from the date of the flood—and even this last winter we learnt a lot about how to manage a rain event. In the additional submission I am only calling it average winter rains—an ARI of around one in five—but we did have full creeks flowing, we did have anxiety in the Yenda community, we had anxiety in council and in Murray Irrigation [MI]. There were people out there all night ready to breach the canal because we did not know how the under canal siphon was going to perform in a one in 20. We did not know how much water was coming down the creek. One of the projects that OEH is supporting is the early warning system, which involves monitoring at strategic locations, putting in those pits where they have got the levels and then wireless internet connect to BOM Weather, to SES, to council and to DPI. We will, in the future, be integrated with the Bureau of Meteorology flood forecasting that you see on the national news on television.

The ACTING CHAIR: Is that in place now?

Mr ROSSETTO: No. It will be soon.

The ACTING CHAIR: You can take that on notice and get back to us.

Mr ROSSETTO: That will be installed very soon. I do not think the money has come through yet.

The ACTING CHAIR: Take it on notice.

Mr ROSSETTO: That is one of the projects that was approved by OEH. That is the first cab off the rank, because we need information as to when the floods are coming down the creek. The second project that was approved and that council agrees with is the Yoogali levee. That levee will protect the Yoogali township as

well. We have contention with the Yenda East Mirrool regulator [EMR]. Your question gets back to the functionality of the sluiceways versus the Lawson siphon.

The ACTING CHAIR: Yes.

Mr ROSSETTO: What I have learned—and I dare say what other organisations have learned—is that sluiceways provide a cheaper fix. They also provide the ability to do the fix while there is water running in the canal. In the off season there are only two months when water is not required. That is not enough time to put in a Lawson siphon. If you wanted to go ahead with the Lawson siphon project you would have to build another canal, like they do with freeways, bypass the project, then complete the project and open it all up. That is too expensive and too time-consuming. Floodgates can be installed outside the existing structures, from two metres to five metres, and they do not interfere with the irrigation flow. Therefore, it can be done over a longer period than the two-month winter maintenance window allowable.

Sluiceways are cheaper and quicker to install. They have greater functionality, especially on the Dalton runner water that is coming down the main canal. I refer members to the Lawson siphon picture in the document that I have provided. There is one at Shepparton. They had to build a gutter and another structure to the right-hand side of the Lawson siphon to allow water to be diverted away and flow down the creek. It becomes a much more complicated project. Sluiceways provide more functionality. They are easier to install and cheaper. That is why we have gone for sluiceways.

The ACTING CHAIR: If money were not an issue, would you prefer to install the Lawson siphon?

Mr ROSSETTO: I will tell you the difference and leave it to you to decide. The Lawson siphon concept is great if you do not want human intervention. Sluiceways have to be managed. The Lawson siphon allows the creek to flow naturally, along its natural watercourse. There is no human intervention. Everyone understands that when there is a rain event water will come down that way. Here, we are fortunate to have Murrumbidgee Irrigation, with their great wisdom and water management capabilities. They did a great job this winter and they will continue to do a great job, provided the right people work there. If they hide behind immunity and do nothing, as they did in 2012, then we have big problems. While there are good, cooperative people, we can work with Murrumbidgee Irrigation. Council and Murrumbidgee Irrigation can work together. That is why the Lawson siphon is better, but it is more complicated to install and more expensive. We believe the two organisations can work together. I would like to see a one in 100 annual recurrence interval [ARI] mix, but council believes that one in 50 will do the job.

The ACTING CHAIR: Okay.

The Hon. RICK COLLESS: The Lawson siphon would be set up so that the main canal would use the siphon and the creek would go straight over the top. Is that correct?

Mr ROSSETTO: Exactly. The one I would like to take home from Deniliquin is on Lawson Siphon Road, under Aljoes Creek. I would love to take that one home and put it in Yenda—the same dimensions and same creek flow. Mulwala Canal is about 2,200 megalitres. It is exactly the same. I have taken lots of photos and measured it.

The Hon. PAUL GREEN: I draw your attention to page 18 of the document you have submitted. You talk about a government advisory committee, then you list four points. Would you run through those four points fairly quickly?

Mr ROSSETTO: This refers to paragraph (g) of the Committee's terms of reference:

... the efficiency and sustainability of environmental water being managed by different State and Federal Government departments and agencies.

Having spent four years in council, I know that conflict of interest is a very big issue. We signed many papers declaring our financial interests and assets. It amazes me that various water industry advisory committees to the Government do not have to declare the same conflicts of interest. When you put that together with the fact that we do not have an adequate water allocations register in Australia—or in New South Wales, because Murrumbidgee Irrigation will not cooperate—it is a worry. There are people advising the Government who have triple the amount of water allocation they need. If you are in a position like that, you can sell your water at a profit and grow your rice crop and get capital gain from the excess allocations.

I was alerted to that back in the early days, when we converted from 280,000 megalitres of high-security water. When they legislated the cap on the Murrumbidgee Valley it became about 380,000 megalitres. Where did that extra 90,000 megalitres of high-security water come in? Griffith City Council was allocated 14,000 megalitres. That is lucky for Griffith City Council. A lot of water went to unknown people. Are those people sitting on advisory committees and saying, "Yes, the Government is doing the right thing; the

environment is okay," when they have a conflict of interest in the industry? That is a fair question. I would like to see them fill out pecuniary interest forms in the same way that we had to in council. There is no transparency from the decision-makers on the committees that are advising the Government on what to do with allocations in the water industry. In particular, that pertains to the amount of water they are advising the Government to take out of the industry. New rules have come into play in the past few years. They are helping the Government to make up those new rules. Having spent four years in council, I see a huge conflict of interest there. I would like to see that tightened up. Does that answer your question?

The Hon. RICK COLLESS: Yes, thank you.

The ACTING CHAIR: My question follows Mr Green's question about the management of the potential conflict of interest in advisory committees. It is my understanding that there are processes in place and that people are meant to disclose their potential conflicts. As with local councils, our conflict of interest register is publicly available. We know that, because people often read it and draw conclusions that may not be accurate.

The Hon. PAUL GREEN: Sometimes they are.

The ACTING CHAIR: Are you saying that there should be a similar arrangement in place for those advisers—that not only should they declare their conflicts of interest in writing but they should be made publicly available?

Mr ROSSETTO: I would attach it to their water allocations, because that is key. If they have bona fide water allocations to grow their rice crop, that is fine. But if they have surplus water—triple the amount that they need—and they trade that water for sometimes huge profits, that needs to be attached to a transparent water register and MI needs to cooperate. A privately owned company does not have to disclose its membership details, so we have a problem there.

The ACTING CHAIR: Who do you see as being responsible for holding that information? Who should be the repository for that information?

Mr ROSSETTO: The Government.

The ACTING CHAIR: Which Government?

Mr ROSSETTO: The State Government.

The ACTING CHAIR: Which government department? DPI Water?

Mr ROSSETTO: The Attorney General's department would be a good start.

The ACTING CHAIR: Okay.

Mr ROSSETTO: It is important. It affects communities. There are people making decisions that are affecting the community cash flow, the gross domestic product. I will give you an example. In the 2014 New South Wales Treasury statements there was a \$10.85 million water sales category. That was the beginning of the trading of water. I brought it to the attention of OEH representatives who had come to visit us, and the following year it was removed. Now, I found that interesting. I have found the same figure but under another category. That shows that within the Government there is not enough transparency. I want to draw your attention to the \$10.85 million. They made that as cash. They sold water allocations, took that cash and used it somewhere around the State.

But with the same amount of water—I cannot remember exactly how many megalitres it was; I did the sums—we could have grown rice to the value of \$14 million. Can you calculate quickly the ongoing multiplier effect to the local economy of the same amount of water coming down is an allocation to growers, and them growing the rice and doing what we have been doing for 100 years, providing GDP and jobs to the local economy? This is where decision-making at committee level, advising the Government on the rule-making, is so important.

The ACTING CHAIR: Thank you very much for your evidence, your submission and the document that you table today. The Committee has resolved that answers to questions taken on notice be returned within 21 days. The secretariat will contact you in relation to questions you took on notice, and Committee members may lodge further questions in writing.

(The witness withdrew)

PAUL PIEROTTI, President, Griffith Business Chamber, affirmed and examined:

The ACTING CHAIR: Welcome to today's hearing. I believe you have circulated documents you will ask to table. Would you like to make a short opening statement?

Mr PIEROTTI: I will keep it brief. I believe that the opportunity for Australia to prosper from the mining boom to a dining boom is here and now, and we need to accelerate our ability to create a real triple-bottom line: people, planet and profit. That is absolutely achievable, particularly in New South Wales. Already we have spoken a bit about the 5 and 15 per cent, which is the general security entitlements that were taken in 2002 of 15 per cent and high-security entitlements of 5 per cent. These entitlements were taken without any payments. They were called a voluntary contribution; I call them involuntary. There seems to be significant duplication with the basin plan now in place. The State Government implemented an environmental water practice and over the top of that the Federal Government did that as well.

There is significant duplication with environmental watering, and the use of that water is clearly not transparent. There are no true environmental measures or any accountability on the use of that water. We believe that there needs to be a serious review of that entire 5 and 15 per cent allocation, which would have a significant impact on economies through productive use. I had a meeting with the MDBA only two weeks ago and that meeting was extremely concerning. I will admit that the language of the new MDBA chief, Philip Glyde, is far more transparent, a lot easier to deal with, far more open and far more honest than anything in the past. But really what we are comparing is what is better: the worst or the least worst?

Ultimately all of the dealings with the MDBA over the last nine years or so have been far from pleasant or in any way transparent. We can see that New South Wales is going to run into significant problems in the very near future, and the MDBA highlighted that to us. My concern is the MDBA was highlighting to us that these problems actually come back to our community. The authority insinuated that the 650 gigalitres of down water that would be required from the New South Wales Government was unlikely to be achievable from constraints removals et cetera, and that that pressure will then come back on us and that this area, having the most water, would come under direct attack from another massive round of buyback.

That kind of tipping is 650 gigalitres into communities that have already lost a significant proportion of their water—we are looking at areas Hillston that has lost 70 per cent of its water; Hay up to 65 per cent and further on it is even worse. In this area we have lost 10 per cent to 15 per cent, Coleambally has lost 20 per cent, and this is what we see in the socio-economic impact reports. I think what we saw in the Northern Basin socioeconomic impacts will be far worse in the Southern Basin, when those reports are actually finalised. Unfortunately, that is not until the end of this year, and there are no mechanisms in place for any adjustments anyway. That means it will be a pointless report; it will show what we have said was happening from the very beginning, and then we have no way of actually dealing with the impacts.

I tabled in the documents I brought today a document that talks about OEH trading water. It is very difficult to get accurate information on what OEH does with water; that has been highlighted by some of the other witnesses. This is one figure that we have actually been able to extract; other than that there is no accurate reporting that is publicly available, so we are not able to truly find out. But there is quite berserk behaviour. In the period of the report, which is 2014-15, the OEH purchased 5,643 megalitres of productive water primarily from Murrumbidgee Valley and sold 2,350 megalitres of water in that same period, primarily in this valley as well.

Mr SCOT MacDONALD: Is that water access licensed water or annual temporary water?

Mr PIEROTTI: That is permanent trading water. We cannot get figures on OEH's temporary trading, but we believe they are also doing that. They say within their guidelines that this is for maximum environmental benefit, but there is no measure of that and it is questionable at any point anyway. Why is the State Government buying and selling water? Why are OEH holding this 5 and 15 per cent when they cannot show how they are using it and why they are using it? And then, the environmental programs that they have shown use this are questionable at best. New South Wales is not shown to be a wise user of environmental water at any stage of the game. Even the claims to fame, like the Yass River, if you really drill down are questionable. There are significant problems with the use of these environmental waters. We can see that we are going to be running into huge hurdle very soon, because the ability of New South Wales to provide these amounts of water to the basin authority with constraints management measures is limited at best. We have all known that from the beginning.

The basin authority tells us there are five farmers in Colingullie causing lots of problems for everyone. Some of these farmers are my friends and they have spent the last twelve months pulling sheep out of mud. Their properties have been under water for year on year on year. That is purposely done by the Commonwealth environmental water holder. They have in no way been considered or compensated. Then for the MDBA to be now saying to us it is these five farmers who are causing you all this grief is very unfair to everyone in the community, but particularly so to New South Wales. New South Wales has the most to lose, New South Wales has the biggest portion of the basin in its State. We have the highest productive areas in our State and we have absolutely paid the highest price for this fundamentally flawed basin plan.

What we can see though is that a fair way to deal with this massive constraints issue is for the New South Wales State Government to sell some of the five and 15 for the difference of what the 650 gigalitre offset is, to sell the five and 15 per cent to the MDBA and then for the State to compensate the farmers who it took that from and compensate also for the fixed charges and delivery entitlements that those farmers have been charged for since 2002 without having these allocations, and without having any fair justification of why the State has continued to withhold this water. If the State chooses to want to continue in the water market then perhaps it needs to have the level of scrutiny from anybody else who was using productive water and using taxpayer funds. Perhaps that is another question for another day.

At this point in time we have a massive threat with the Federal Government right now. We have the State Government of New South Wales under intense pressure. The biggest constraint in the whole basin is Wagga Wagga. If we could pick that up and move it away. But other than that there is no way of really resolving 650 gigalitres of constraints through the system. When we get down further into Deniliquin, the committee just came from there and would have heard all of the problems of Barmah Choke and the rest of the issues down that way. These constraints issues are not simple fixes of raising bridges, etcetera. Some of the offers made by the State Government to the five farmers in Colingullie, for example, have been suggestions like, "We can put bridges on your farms." Each bridge costs \$175,000 and you may need 19 of them on your property. Completely illogical. It makes no sense. These properties are grazing land at best, they are not cropping country. It is semi-forest, flood plain area that if we continue with the practices that have been going on will be permanently under water. A better solution needs to be found for those farmers.

The ACTING CHAIR: Are you close to finishing off your opening statement?

The Hon. MATTHEW MASON-COX: He is only getting warmed up.

The ACTING CHAIR: There are some people here busting to ask you questions.

Mr PIEROTTI: So, five and 15, we really believe that there is an opportunity to look at ways of gaining new water and we believe that some of the suggestions made so far, the Bradfield and Clarence diversion, Lake Coolah, en route storages, etcetera, are absolutely viable options. A lot of the research that was done on this, a lot of the cost benefit analysis was done back in the 1980s or before. That was a different time. That was when water was worth nothing. Now water is extremely valuable and a lot of the time people are referring back to cost benefit analyses when water was free. When you look at it now and you are talking about hundreds of dollars a megalitre just temporary trade, and you are talking multiple thousands of dollars for high security permanent transfer, it is a very highly valued commodity. For that reason we believe that this concept of increasing Burrinjuck Dam's capacity is absolutely doable, because that could be privately funded. At no burden to the taxpayer we could increase the capacity of Burrinjuck Dam from 1,028 gigalitres to 4,000 gigalitres, by either creating a new wall or extending the current wall.

With that re-working we could resolve cold water pollution problems by using top of the dam flows. We could also create airspace for flood mitigation. We could also have significant storage, up to 50 per cent in fact for environmental water. With climate change we are expecting longer, hotter, dryer periods and shorter, heavier and quicker wetter periods. The importance with regard to Burrinjuck Dam is that its catchment is 13,000 square kilometres, as opposed to Blowering Dam, which is 1,600 square kilometres. So, it is a massive catchment area. It has a massive capacity with re-working to gain a hell of a lot more water for productive use and environment.

Then there is the next benefit. We could also extend our clean base load power use by seriously increasing our hydro-electricity capacity. With 4,000 gigalitres that is nearly enough to run the entire State without any further coal power. There are significant benefits that could come from this. Coming back to the basin plan, the mismanagement of the lower lakes and the Coorong are at our expense. The black water events by dumping environmental water onto floods, cold water pollution killing native fish, stripping riverbanks, flooding properties. This basin plan, enough is enough. It has to stop. This talk of hardwiring the 50 gigalitres of up-water is more than our State can tolerate and we need to put a stop to it.

The ACTING CHAIR: Good place to stop.

The Hon. MATTHEW MASON-COX: Thank you very much Chair, and thank you Mr Pierotti, the passion is self-evident. Thank you for putting some more documents before us today. "Burrinjuck Dam is the Key", I think is the head of one of them. So, why do we not start there? You said that you think a project of this scale, and it would be a massive project for the State, could be funded by the private sector. Are you talking there about the water licence that would attach to the increased capacity as being the, if you like, jewel that would fund the actual development?

Mr PIEROTTI: We have the Federal Government that likes buying water as well, and they have lots of money. They have already spent \$13 billion in this area. There are heaps of opportunities. There are lots of buyers out there, it seems. But the hydro-electricity part is really the massive benefit here. We have got environment, we have got productivity and then we have power, permanent base load green energy, which is the future. I think that there is a lot of capacity here. The biggest issue we have with this project is that before they even developed the current bans the people who first looked into this research—this is going back a hundred years ago—were going to privately fund it themselves and they went out and got backers and they had some American engineers come across. The initial concept for the whole Snowy Mountains Hydro-electric System was developed at that time. Those first plans were for a dam of this proportion. Unfortunately, from there government said, "No, we will do it." And then scaled it back quite dramatically. But what we are saying is at the time perhaps that was suitable for that period. With what is happening going forward, we need increased capacity and this is a great option to do that, particularly when it could be at no burden to the taxpayer.

The Hon. MATTHEW MASON-COX: In terms of the priorities from the Griffith Business Chamber's perspective so far as other competing projects, such as we have heard today about the diversion from the Clarence River, we have heard about a range of other potential dams, what sort of priority do you hold in terms of those competing projects? What is number one, is that Burrinjuck?

Mr PIEROTTI: I question any project that means creating a completely new dam. If we are really talking about in this current political environment creating such a massive scheme I think would be difficult at best to get across the line. But when you already have an existing dam system and all you are doing is altering that, with little consequence to people. If we want to increase it to 4,000 gegalitres there is one significant consequence and that is the 80 people who live in Wee Jasper will need some snorkelling gear because they will be completely inundated. We have spoken to some of those people. We have spoken to a lot of those people actually and they are more than happy to relocate. We believe that part of the program would be a relocation program for those people.

The Hon. MATTHEW MASON-COX: From what the Committee can gather there has not been a lot of feasibility work done on this project. It is a blue sky idea. Obviously you would be calling on the Government to urgently commission a feasibility project to look at how this would proceed should that be a recommendation of this Committee?

Mr PIEROTTI: I think it should not just be the Government; it should be stakeholders—the environment, State and Federal governments and commerce. It is about Australia's underpinning of our economy going forward. We are talking about increasing our capacity by four times, but what that means on an economic scale at the end of the day? We all know that our manufacturing sector is under pressure, our mining sector is in decline. Our food and fibre sectors are probably our greatest opportunity. If we can increase that fourfold for our potential export, I mean there is exceptionally high demand for high quality, clean, green product and we have a great reputation in that area.

The Hon. MATTHEW MASON-COX: Is it the intention of the business chamber to take the next step and seek a feasibility study, privately funded, to move this forward? What are your next steps in this regard?

Mr PIEROTTI: We would need government support. I think something of this scale needs at least the support of the New South Wales Government. From there, in the actual funding of a feasibility study, I think you have got stakeholders that would be willing to partner in this kind of arrangement.

Mr SCOT MacDONALD: At the moment commodities are good and dam volumes are pretty good. From the business chamber's view can you separate those sort of temporary or variable seasonal commodity conditions from the loss of 709 gegalitres permanently out of productive water, if you like. The last year or two has been good for all those reasons but can you describe how the chamber has surveyed or felt the loss of that productive water?

Mr PIEROTTI: The impact on our community has been massive. Griffith is a regional hub to an area of approximately 200 kilometres around us. If we look at the amount of water, we had areas that oversupplied

seven times their quota within our window. If we look over towards Lake Cargelligo, Condobolin, all the Lachlan, Hillston and Carrathool. This data is not yet available, we are only seeing rough pencil data at the moment because this is in a socioeconomic report that comes out. That impacted Griffith immediately. In 2010 we were building 198 new homes a year, in 2004 we were the fastest growing inland centre in Australia. In 2010 we had a 15 per cent drop in population, and between 2002 and 2010 we had 40 per cent of the people who worked in agriculture in our region leave the area.

Mr SCOT MacDONALD: How much of that would you attribute to the SDL adjustment?

Mr PIEROTTI: It is a culmination of issues. We had the high Australian dollar, we had the millennium drought, we had mechanisation, low commodity prices and pressure on agriculturalists to get bigger or get out. There is a whole culmination of issues but really this basin plan came in at the worse possible time. It was like the last kick in the head at the worse possible time. If you tried to time something as bad as this to happen to a community at a worse possible time I do not think it would be possible. I do not think you could actually plan it to be any worse because you have got people at their absolute weakest point. I mean that was partially done on purpose—the Federal Government, without legislation, was purchasing water in volume from 2007 in this region. It was not legislated until many years later. Those people were in the middle of millennium drought. They were not getting any allocation and they were paying for the full entitlement. There is no doubt about it, that was pretty cruel behaviour by the Federal Government.

Mr SCOT MacDONALD: What are the prospects for structural adjustment with the Federal Government in particular throwing money around for a community-diversified economy? What are the prospects for Griffith and Leeton?

Mr PIEROTTI: It does not work. We do not have any confidence in that kind of—we have seen the regional diversification fund and the money splashed around in that. I have very little confidence at all that that will create any serious impact on our ongoing strength and economy. Scot, you were on a panel for a couple of years with me back when you lived in Griffith.

Mr SCOT MacDONALD: That was a long time ago.

Mr PIEROTTI: It was all about trying to find a way of diversifying our economy and living with less water. It took about three years and through that study—the study had the opposite impact of what it was designed to do. It was designed for us to explore really closely other economic drivers and the capacity, ability and potential funding to offset this damage, but what we found was that it is absolutely impossible. There is only one thing that can make this town move and that is water.

Mr SCOT MacDONALD: What about an extra 160 litres coming out of the Murrumbidgee from the 450 gegalitres upwater?

Mr PIEROTTI: Are you asking what impact that would have?

Mr SCOT MacDONALD: Out of that 450 gegalitres Murrumbidgee would be expected to lose about 150—

Mr PIEROTTI: In the early phases of buyback we really saw what we called "tipping points" happen very quickly—for example, in the citrus industry in Mildura we saw citrus farms just blank. Okay, the Swiss cheese effect came into play and then the running costs burdened onto the existing farmers and came into play. But what really happened is that there was no critical mass for Berri juice to continue to operate, they closed its plant and all the existing farmers—you cannot pay to ship juice from Mildura to Griffith where the only plants used for juice manufacturing are left in the whole country. We saw an entire industry collapse in a minute. That would happen to every sector in this area with much more water coming from this area.

We are already at a significant pinch point—we have had our house properties stripped in value by more than 20 per cent, and we have had our commercial properties stripped in value by 50 per cent. I said before, in 2010 we were building 198 homes a year, in 2014 we built 18, and this year we have built 60. We are probably about 500 homes behind what we should be so therefore we now have a little bit of a bubble going on with housing. We have got gouging going on in rentals because we have 1,100 jobs coming into our region but nowhere to live. The cost of rentals in Griffith have doubled. I have got friends who are getting 70 per cent return on a \$250,000 fibro home.

Mr SCOT MacDONALD: Thank you.

Mr PIEROTTI: It is good for investors but it is not good for our community.

The ACTING CHAIR: I just want to clarify that you are not advocating in any way that we move Wagga Wagga off the Murrumbidgee River?

Mr PIEROTTI: We could shift it a couple of hours the other way.

The ACTING CHAIR: I know how it works. A journalist will read this transcript at some stage and I can see the headline of the Wagga Wagga *Daily Advertiser* saying "Griffith wants Wagga Wagga moved off the Murrumbidgee".

Mr PIEROTTI: No.

The ACTING CHAIR: I just want to clarify that you are not advocating the relocation of Wagga Wagga?

Mr PIEROTTI: Not at all.

The Hon. RICK COLLESS: In the supplementary documents that you gave the Committee today you talk about the 2014-15 OEH purchasing 5,643 megalitres and selling 2,350 megalitres in the New South Wales connected system. Can you expand on that? Can you give us your assessment of where that water came from and where the water that was sold went to? What has happened to the balance of that water?

Mr PIEROTTI: It is not possible to accurately expand on that. Even finding that data is like mining—this data is not available. OEH used to be a lot more transparent in the beginning, as Paul Rossetto mentioned before, but as soon as we questioned that many years ago everything was removed. So there is no accurate public data on any of the behaviour of trading. This is the only public information available. How much they paid for it, how much they sold it for, not available. Why they did this, not available. They just say "maximum environmental benefit". It is hard to fathom why you would be buying 5,643 megalitres, selling 2,350 megalitres and that would create somehow a maximum environmental benefit. I cannot see how it could.

The Hon. RICK COLLESS: There is no information about where the water went after they brought it?

Mr PIEROTTI: And this is only one transaction, there are many more.

The Hon. PENNY SHARPE: Where did you get the figures from?

Mr PIEROTTI: I will send you a copy of where we got the figures from.

The Hon. RICK COLLESS: You can take that question on notice.

Mr PIEROTTI: Yes.

The Hon. RICK COLLESS: Your assessment of the trading that they are doing, and from the comment you make in this document, is that it is being done outside any legal framework?

Mr PIEROTTI: Yes.

The Hon. RICK COLLESS: That was from a combined southern connected system, so some of it would have come out of the Murray—

Mr PIEROTTI: Yes, Murray and Murrumbidgee.

The ACTING CHAIR: The Committee has heard a lot about the need for transparency in the reporting by government departments. We have also heard lots about transparency being required around trading and access to information so that people can make informed decisions about whether they are going to trade, et cetera. Does the chamber have a view about the impact of that lack of information on the commercial businesses in your organisation?

Mr PIEROTTI: I have included in your packs this document—this is a story that came out today in the *Weekly Times*. The Committee heard earlier from people talking about the Wilks trade last week. Some said he actually made a quarter of a million dollars. That was five minute's of purchasing in his wife's name. They had logged into multiple computers, with all of his staff, waiting for the moment that this trade was open and purchased the entire amount in his wife's name in three minutes. In that three minutes he made \$358,181. I have given you other documents here that show "water find made \$415,000" in this other period, "Ruralco, \$811,000", and we have just spoken about Wilks. That is just this period.

The ACTING CHAIR: They are all in this information package?

Mr PIEROTTI: Yes. This gouging by third parties creates a difficult environment for productivity. So the farmers then can't really make money so they will make decisions accordingly. They won't plan, they won't crop and they won't pay tax. They won't sell to the third party. Griffith's entire success is around not only its farmers and its agriculture, and there is quality food and fibre, but also about the processing of that. I mean we are the biggest chicken production area in the—we will be in the entire country by the end of the year. Three

in five glasses of wine come from Griffith. Almonds are massive, walnuts are massive, and our cotton is massive. Rice, 95 per cent of Australia's rice comes from this region. Then rice growers process that and we have the biggest rice export business in the country. It is the add-value side to all these commodities where the real money starts to churn and where the jobs and the community and the vibrancy actually really takes place. Every time you have interference, like government short-changing or start of season low allocations, or any of these other interferences, the start of season low allocations or huge carryover creates an inflated price. This is supposed to be a free market but it is far from free. You have got a lot of intervention from people who are not in agriculture. You have got a lot of intervention by government policy and behaviour. It is a limited market; it is not really like the stock market as such.

The Hon. PENNY SHARPE: Are you recommending to the Committee that only those who irrigate are able to trade?

Mr PIEROTTI: Yes, I think the water should be used for productivity. I will correct that—

The Hon. PENNY SHARPE: You just talked about a free market but you also talked about limiting the market?

Mr PIEROTTI: It is not a free market. There is no point in calling it something it isn't. The Government has interfered dramatically, at both State and Federal level, and then we have these other issues of carryover, et cetera, and then we have these policies like the current water sharing using the second worse case scenario as its forecasting. That is a berserk policy. Prior to that we were using long-term averages and they got it wrong twice in 90 years. That is a pretty good average. Every year since the water sharing plan has been in place, which is only six years, they have got it wrong every year without a doubt. That is a 100 per cent failure rate. Prior to that they had 98 per cent success rate. There is so much intervention in this area, it is hardly a free market.

What I was going to correct in what I said about whether agriculturalists should be the people trading water, is yes but so should environment and government. In other words, dumping environmental water on top of a flood is just foolish and it actually creates significant damage to the environment. Those offsets, that environmental water—when there is a flood that is an environmental flow and that should be offset from the water that is held by Commonwealth environmental water holders [CEWHs] and they should trade that water back into productivity because it is not needed.

The ACTING CHAIR: The Committee heard testimony earlier from the South West Anglers Association. It is not only irrigators who have to make a decision around the allocations and the information they get about those allocation—no pun, they are triple fed that information—but also some business houses have to make decisions about what stock they are going to get in. They too have to keep an eye on the water allocations. Is that not correct?

Mr PIEROTTI: Unfortunately, yes. I am a furniture retailer. I have had nine years of water torture, and not by choice. I do not have any farms or water but we are the most impacted. We cannot sell water. We do not have an option within this whole play. The only way we can see going forward—I do not think that we can change the tide. Unfortunately, the decisions are made and I consider them to be exceptionally unwise, because I believe that taking the Coorong and the lower lakes, which evaporates more water than is used in productive agriculture, out of the basin plan is foolish. I believe that the whole management or mismanagement of the end of the system is where the problems are, and that will eventually become the greatest environmental catastrophe in this nation. It is only a matter of time until we have another dry period.

Last time there was a significant dry period in an area the river floor was exposed to sunlight and acid blow-off—they were dropping alkaline over the acid soil so that it would not blow over Adelaide. The next time that comes around, with the damage that they are doing now by making it seven times saltier than the ocean by dumping more and more water into a closed system, the next time that river floor is exposed there is going to be catastrophic at levels never seen before. And the RAMSAR Act, which should never have been listed over the top of a man-made system, will be culpable to their own Act because that is an environmental Act to protect the area and we are actually purposely destroying it.

The Hon. PENNY SHARPE: RAMSAR is not an Act; it is a listing. It is not actually governed by legislation.

The ACTING CHAIR: That is correct. RAMSAR is not an Act.

Mr PIEROTTI: Sorry, it is a listing but we are obliged to comply to the environmental—

The Hon. MATTHEW MASON-COX: I want to clarify in relation to the broking, are you suggesting to the Committee that no brokers should be in play other than those representing clients who are

trading? In other words, are you saying that there should be no speculators in the market or do you see a role for smoothing prices from speculators as long as there is disclosure and accountability?

Mr PIEROTTI: I think that is the main issue. I think this is insider trading. I think that this is a distortion of the market. It is not really about whether—the biggest market player is VicWater. VicWater is primarily a super fund and their behaviour is generally very good. They are the biggest market player that are not in production. It is not a free market and it is unfair to call it something that it is not. It needs to have rules. It needs to have serious policing and accountability and transparency.

The Hon. MATTHEW MASON-COX: The material you have put to the Committee states pretty clearly that there are no rules, there are guidelines as to how things apply and even practices where brokers can actually trade on their own account in a non-transparent way having had, if you like, water placed with them. Those are the sorts of things you are aiming to bring not only accountability to but also transparency for all players in the market, particularly in government?

Mr PIEROTTI: We would take it a little further. We are also extremely concerned about potential foreign intervention. We say foreign ownership of water should not be allowed.

The Hon. PAUL GREEN: You have been quite tireless in what you have shared this afternoon but are there any recommendations you think the Committee should make that you perhaps have not touched on?

Mr PIEROTTI: Please build a dam. I think that we need to have rules in trading. I think that we seriously need to look at new water. I think the best opportunity for new water is the Burrinjuck Dam. I think this 5 per cent and 15 per cent water issue is a huge sleeper and it is going to come to a head no matter what. When it does, what should really happen in the real world is that you would have to give it back and you would probably have to compensate for the time you have had it and for the fixed costs to those farmers. However, right now we have got a bigger pressure, which is the Federal Government with a gun to our heads with the 650 gigalitres of down water. I think there is opportunity for the State to work the difference between the offsets that we have that are real, that actually deliver—a lot of the stuff being spoken about is pie in the sky; it cannot deliver. It is just a matter of time until the Federal Government is going to come at us again.

We need certainty. We need this put to bed. We need to have clarity and a brightness of future. This has been hanging over our heads since 2007 when they were randomly stripping water for the community—that is a long time. Now they are talking that we are not going to see serious reviews until 2020 and then 2025. How long can we really tolerate this uncertainty? I can tell you now, a number of people in my position who are business owners just get out. It is not worth the risk. There is too much potential for government intervention to cause significant problems to your business. When you see a lack of housing and those sorts of things happen—these things multiple. Right now it is very difficult to get any tradies because nearly all the tradies left. In 2013 they just went to Canberra where there is a lot of work going on. Trying to get them back is hard work. Right now we need 600 homes, probably more, but I don't know how that is going to happen.

The ACTING CHAIR: Thank you for your time today, your submission and the additional documents that have been tabled. I will make sure that the people of Wagga Wagga can rest at ease. They do not have to start packing up their houses, although those at North Wagga—

The Hon. MATTHEW MASON-COX: They might want to move anyway.

The ACTING CHAIR: You have taken a couple of questions on notice and Committee members may also have some further questions for you. The Committee has resolved that answers to questions taken on notice be returned within 21 days. The Secretariat will be in touch with you about that.

(The witness withdrew)

(The Committee adjourned at 15:57)