

REPORT OF PROCEEDINGS BEFORE

STANDING COMMITTEE ON
NATURAL RESOURCE MANAGEMENT

At Sydney on Wednesday, 17 September 2003

The Committee met at 10 a.m.

PRESENT

The Hon. Pam Allan (Chair)

The Hon. R. S. Amery

Mr G. Aplin

Mr A. M. McGrane

Mr G. F. Martin

Mr D. L. Page

[PROOF COPY]

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MICHAEL JOHN KEOGH, General Manager Policy, NSW Farmers' Association, 255 Elizabeth Street, Sydney, and

ANDREW HUCKEL, Senior Analyst, NSW Farmers' Association, 255 Elizabeth Street, Sydney, sworn and examined:

CHAIR: We have received your submission. Is it your wish that that be incorporated into the minutes of the meeting?

Mr KEOGH: Yes.

CHAIR: We would like you to present to that submission and then take some questions.

Mr KEOGH: We certainly thought we would make some introductory comments. We have received a series of questions from the Committee and we are happy to work our way through those, if that is appropriate.

By way of introduction, thank you for the opportunity to talk to your Committee today. I suppose it is no secret that farmers in New South Wales and our association have for some time been looking for better ways to have Government and the farm sector manage natural resources. We certainly welcome what we perceive to be a concerted shift in focus towards what might be broadly termed market based instruments as part of the mechanisms of achieving better economic and environmental outcomes from the use of resources such as land and water. We have long held the view that those sorts of instruments are better ways to achieve outcomes that match the requirements of the whole community and end up with equitable outcomes and ones that can benefit the environment as well.

Water reform has certainly been an ongoing issue in Australia. I think if you go back virtually to Federation, debates about water have been a very important part of the national political fabric at different times. Certainly the most recent phase of reform started in about 1992 and resulted in the COAG water agreement in 1994. It actually makes interesting reading to go back and have a look at that 1994 COAG agreement because most of what was agreed in that agreement, most of the principles and most of the issues that were dealt with at that stage, are still in the process of being implemented, even though that agreement suggested that they would be in place by 1998, and in fact that 1994 COAG agreement really talks about the issues that we are talking about today: Separation of title to land from title to water; the introduction of markets and trade ability in water entitlements; the allocation of a dedicated volume of water to the environment, and the whole range of measures that really are in play now in terms of both State and national politics and are starting to be progressed.

In that respect, we certainly welcome the COAG agreement that was reached in the last couple of weeks. We welcome the approach that the New South Wales Government and the Commonwealth Government have taken to that and that really has been a fairly important step in working towards a stronger national institutional framework for water management. We note that the four task forces that have been set up under that agreement and which we assume will report back in the first or second quarter of next year deal with a lot of the issues that are the subject of the questions here today. In many respects the questions are very timely and very much on the subject of the moment and will be feeding in, I presume, to that national agreement that might be forthcoming by about the middle of next year.

The other point we would be keen to make is that, whilst there has been a perception that farmers oppose a lot of these environmental measures, I think the practical reality of the situation is that that is not the case. I think in many respects they have been uncomfortable with some of the processes that have been applied in coming to these decisions and I think we would reinforce a message that, in getting to decisions on these issues, a balanced approach should be taken which incorporates consideration of detailed and rigorous science coupled with formal socioeconomic analysis of the likely impacts and, from that, looking at best fit solutions rather than blanket regulatory measures. That is going to apply particularly to water in the future because more and more we see that

those who do most to improve their water use efficiency and maximise their output will be the ones who might be penalised if the approaches taken in future are blanket regulatory approaches such as mandatory percentage cuts to their allocations. The people who have invested money in infrastructure and precision irrigation systems are the ones who are probably most impacted by that blanket regulatory approach whereas the inefficient users who are perhaps just using water for pasture can accommodate those sorts of changes, so I think more and more we are heading into an era where that sort of consideration needs to be taken into account, particularly the socioeconomic consideration, in getting the best fit solutions for those sorts of issues.

With those introductory comments, we are happy to take questions, or however you would prefer to proceed.

CHAIR: We have got those questions in front of us which we provided to you. Are there any other more general questions that anyone wants to add before we get onto these?

Mr AMERY: Just generally, with the Farmers' Association and the Irrigators' Council, I always find there is a lot of agreement in principle and a lot of dispute about the detail. Are the Farmers' Association and the Irrigators' Council now more as one?

Mr KEOGH: Yes, certainly.

Mr AMERY: Because you have got that great dilemma of irrigation farmers as opposed to non-irrigation farmers.

Mr KEOGH: No, certainly, that seems to have resolved itself over recent times, I think more particularly as well in that this issue has moved to some degree to a national stage and I think irrigation groups and farmers are realising that getting decent outcomes in these issues is going to depend on a concerted focus rather than perhaps two groups taking shots at each other and trying to win points. I think more and more we are certainly working very much hand in hand with the Irrigators' Council and with the National Farmers' Association and national irrigation groups to try and make sure we all get a common understanding.

Mr HUCKEL: If I could just add to that, the New South Wales Farmers' Association is actually a member of the New South Wales Irrigators' Council, and we do have two farmer representatives on that council.

Mr PAGE: In relation to the private responsibilities of farmers to enforce sustainability in the interests of the public, interests in making sure that we have sustainable outcomes on all land, both public and private, the issue of duty of care has been debated a lot. The farmer has a duty of care, and beyond that it is the Government or the public at large who should assist in outcomes. Have you had an opportunity to clarify that concept in national terms or come up with a proposal that will actually enable governments to distinguish between where the private farmer's responsibility finishes and where the public responsibility starts?

Mr KEOGH: This has been the subject of quite considerable debate and discussion within the organisation. We endorsed the concept of a duty of care as association policy about 18 months or two years ago. The practical application of that gets interesting, because I guess conceptually people see it as drawing a line in the sand and saying up until that level of responsibility it is the farmers', beyond that it is the Government's or the public's, if they want to achieve those outcomes.

In broad principle, I think we do not have any problems with that and certainly we support that, but I think in practical terms drawing that line in the sand is often quite difficult and I think farmers would like to see a situation evolve where there is a much more comprehensive and longer term approach to incentive based schemes. Richard Amery, when he was Minister, introduced the Salinity Training or Environmental Services Scheme which is working through its pilot stage at the moment. Certainly, we believe that the dilemma of where the line in the sand is drawn can in fact, in a practical sense, be fairly well delineated by those sorts of schemes, because if they operate with market principles inherent in them, then you will have, for example, a farmer who is prepared to do so much but

then might go a bit extra if there is an incentive there, provide a very cost effective bid, if you like, to provide that service. Whereas, if you do it by trying to define it in a regulatory sense, it will be very difficult to do.

Dryland salinity is a classic case in point. If the farmer happens to be in a recharge area, you are going to have a great deal of difficulty trying to enforce the regulation or trying to even dream up a regulation that would say your duty of care is to make sure there is no salinity in 50 years, 50 kilometres downstream. However, with an incentive based scheme that says, "All right, we want you to reduce the leakage of run-off or leakage of water through your property to groundwater", the farmer may well be down the track of doing something along that line and a bit of marginal incentive would in fact encourage it. So in a practical sense you can use those sort of market based instruments to tease out where that line in the sand exists without necessarily having to define it in black and white terms.

Mr HUCKEL: Just if I could add, in relation to our submission, you would have seen a section in regard to the US Conservation Reserve program and the use of the Environmental Benefits Index (EBI). That could be assisted where you use that EBI as a proxy for a duty of care standard, and an EBI is more flexible and you do not necessarily have to draw that line in the sand.

Mr MARTIN: I have a question in relation to the Australian Bureau of Agricultural and Research Economics (ABARE), who put in a submission. A Mr Mues made some comments about the potential of the water trade to exacerbate salinity, and particularly talking about the Murray region. Would you like to address your comments on that and from your point of view the credibility of the ABARE statistics? Is that something that you people accept?

Mr KEOGH: We had a good look at that ABARE paper and we were a bit disappointed in it. Normally we have a fair bit of respect for the information ABARE produces, but I think what they missed in the paper was in fact the issue that was addressed in a much more comprehensive manner in the paper "Robust Separation" by McColl and Young.

I think what they missed was we are talking about a number of separate instruments in dealing with water, and I think Richard would be familiar with this in terms of the New South Wales arrangements. You have your entitlement, which is your piece of paper which says how much of a share of the resource, if it is available, that you can extract; then you have your allocation in the water authority saying there is this much water available; but then the third bit, which we think ABARE has almost neglected, is your water use licence or approval, and that is the instrument that looks at the potential impact of your use of water on a particular area of land. So the water use approval is specific to an area of land, and it is the instrument that looks at impact on salinity, impact on soil types, impact on a whole range of different things.

Now, I think McColl and Young were much clearer in their understanding that the issue of salinity, for example, should be dealt with by the water use approval and it should be the instrument which looks at if we irrigate here will we exacerbate salinity, etc. Mr Huckel is involved in a peak stakeholder reference group that has been looking at substantially enhancing and changing how those water use approval systems work, and certainly that is where that focus should be. So we were very disappointed that in a sense ABARE looked at an example, and just one example, of moving water from a low salinity impact area to a high salinity impact area, but ignored the fact that you cannot just move that water and apply it, but in fact you depend on having the water use approval in place before you can apply it. In a sense they seem to be complicating that issue with the issue of just the simple entitlement itself.

Mr AMERY: I am pleased to hear your comments because ABARE's assessment is a bit like carrying out an exercise. Obviously there was an impact, an assessment done and in the meantime trade from one farmer to another. I did not understand where they were coming from until I realised that they seemed to assume that when you are trading from one valley to another, from low impact to high or vice versa, that the agency concerned does an impact assessment on the approval process. So we are pleased to hear your comments on it. Obviously, if you do make any representations it will be to oppose or certainly to be strongly critical of the ABARE assessment.

Mr KEOGH: Yes, as you said, they seem to have ignored the fact that you have got two separate instruments; one is your entitlement and the second is your water use approval. Just because you trade your entitlement, does not ignore the fact that before you use that water you have to have your water use approval. The water use approval is the instrument that is specific to the site and is the mechanism whereby the impact is assessed.

Whether ABARE did not understand that, and certainly that is not exactly the case that applies in other States, so whether ABARE looked at it from a national perspective and did not understand the stage of development in New South Wales as far as separating those different things or not - I was also disappointed that they only looked at one specific example, that is moving water from a low salinity impact area to a high salinity impact area. You could have equally looked at the reverse and said trading will be wonderful for salinity. So it was a bit of a very narrow single example, rather than a perhaps more comprehensive look at the issue.

Mr HUCKEL: Some of these scenarios have been discussed within the peak stakeholder reference group on water, of which I have been a member, but yes, as Mr Keogh was saying, ABARE missed the point that basically the water access licence does not entitle the holder to actually use their entitlement. The use of water is regulated by water use approval. So it will mitigate those situations where poor quality water in terms of salinity is applied to country of high salt content.

Mr MARTIN: You mentioned Young and McColl. They make comments basically I think along the lines that if irrigators were to be able to use their water savings to increase irrigation, that is going to impact on river flows and so on. In comparison to what they were talking about and ABARE, have you got any general comments on that?

Mr KEOGH: Yes, I think that is a bit of a heated issue and one that is going to have to be dealt with, and that is that if irrigators do make big savings in efficiency, there can be a double impact. It can be a fact that there are less return flows going back into the river, and so who owns those return flows, and that is an issue that is dealt with, but also it may mean that the irrigator can expand the operation and in fact grow more acres of product using the same amount of water.

Now, some have suggested that that efficiency gain that allows the irrigator to have more water, or irrigate more area, should in fact be turned back to the river flows. I think we would argue that that is going to kill a lot of the incentive for that increased efficiency, and that the more appropriate way to do it is to say all right, if you are going to make those efficiency gains then a trust, or whatever the vehicle is to hold the environmental flows, can be in the market place and buying some of that water back for the environment as it is required, and that is a more equitable way to do it than hinting to someone if you make an efficiency gain we are going to pinch that efficiency off you, which is going to disincentivate moves towards that efficiency gain. We think it is probably cleaner to do it the other way.

Mr MARTIN: It is a bit ridiculous.

Mr HUCKEL: And obviously within the COAG working groups this will be an issue which they will be looking at and also in regard to the environmental water trusts possibly purchasing that water which has been gained through increases in efficiency.

Mr KEOGH: It is interesting, we note, that in the US water trading systems a water trade is the net water, not the gross water. So the US system makes an assessment of the amount of return flow, that is the amount of water flowing off that irrigation site and back into the system and only allows permanent trades of the net amount of water, rather than the gross amount of water. They are issues which have not really been dealt with up until now in Australia.

CHAIR: What about some of those other questions?

Mr KEOGH: Yes, the reason that irrigation schemes constrain or do not permit out of scheme permit trade, I think really it comes down to the issue of they have got their infrastructure in place and if they have not got sufficient volumes of water going down that infrastructure it all gets less efficient

and more costly. I think the spectre of water barons and huge shifts in where water is used and all those sorts of things that potentially flow from a stronger market in water is probably a bit overrated, in that I think some do not understand that, for example, your allocation at any point in the year can change dramatically and have a dramatic impact on the market. So whilst some may think there is a quick buck to be made in the water market, I think some of the risks that are inherent in it are not likely to lead to that scale of market such that there are huge shifts in water out of one area and into another. I just think that is not a practical reality. I think we will see it at the margin rather than wholesale and, for that reason, I suspect that irrigation corporations are being cautious rather than jumping in head first, but I think we will see a progressive realisation that there is a balance somewhere between an absolutely unfettered market and no ability to trade whatsoever. The issue for them is going to be when some of their shareholders reach retirement age and find that they can trade water permanently out of the system for a much higher price than perhaps they are able to within the system and the tension that that creates will have its own imperative as time progresses.

Mr MARTIN: In relation to the various pricing mechanisms, and ABARE made some comments about whether there would be subsidies, taxes or whatever, particularly trading out of high salinity areas, given that everyone has a different view on what the various financial mechanisms can or should be, do you have any comments that might be helpful to us in this area?

Mr KEOGH: Yes. We would come back to where we were, I think, in that if you are wanting to deal with salinity as an issue and you want to set up a credit system for salinity then we would probably argue that that should not be tangled up in the market for water entitlements, that you deal with that as a separate issue, perhaps through your water use approval system or whatever. I think if you start trying to tangle all those outcomes into the market for water you are going to get an awfully complicated system and probably not get the results you hope to.

CHAIR: Christina still wants enlightenment on 5(a) and (b). Do you have anything further you would like to say on those?

Mr AMERY: Before you do answer that, you made some comments earlier about incentives, and quite obviously we all know what that is, getting some incentives to invest in tile drainage or revegetation or whatever it might be, and whilst we do not ask you to do it today, I suppose what we would like to look at in the future is some hard detail on examples of incentives that should be available. What is the science on the best type, whether it is putting capital investment into properties which reduce leakage because you made the point earlier about leakages into one area which affect another area downstream and so on. I would certainly like to have, maybe not today, some clear examples of the types of incentives involved, the type of investment where we would probably get the best return.

Mr KEOGH: Yes. Certainly we have discussed those in some of the submissions we have made. I think there is a tendency to overlook the fundamental impact that ascribing a more secure value to water entitlements will have. In a sense you are going from a free resource that is readily available to one that becomes more and more valued and significant in terms of people's thinking about how they use their resources and if you suddenly say to someone, well, that resource you are using is quite valuable, maybe \$5,000 a megalitre, and you are losing a megalitre through leakage, suddenly there is an incentive to find a way to fix that, whereas when the resource is relatively inexpensive and freely available there is never an imperative to chase those sorts of things. I think we tend to overlook that. Irrespective of what institutional arrangements are in place, once that system starts to evolve, you suddenly create an imperative all of its own that will encourage individuals to do a fair bit more.

Mr AMERY: The value of water.

CHAIR: What about the last question in relation to other policy approaches perhaps to address some of the current challenges?

Mr KEOGH: I guess there are two aspects to that. One is the system savings, and that is the infrastructure, if you like, associated with water delivery before the farm gate, and I think there are some interesting challenges there. Andrew noted in some recent US publications that the overall

picture was that most of the water infrastructure was implemented in the 1930s and 1940s and is now in a bad state of disrepair and undercapitalised and needs a fairly substantial capital investment. I suspect that the picture in Australia is not that much different. In some of the US systems, and they are ones where water has attained a reasonably high value, they have moved to, for example, covered channels, lined channels, piping rather than channels, all those sorts of things that perhaps optimise the delivery systems. I think we are likely to go down the same track one way or another and I think Dick Pratt's investigation around the Murrumbidgee at the moment - I do not know whether you want to comment on that - is perhaps going to provide some answers in relation to the off-farm or prior to the farm gate phase.

On-farm we are seeing some fairly exciting developments in precision subsurface drip irrigation systems and water scheduling. For example, the CRC into irrigation based at Warwick in Queensland found that simply by metering the flow of water onto farms and talking to farmers about more efficient scheduling they improved their water use efficiency by 10 percent on average, so without any capital investment whatsoever but simply getting the farmers to put a meter on and measure the flow of water and put a number around the water they are using, the average savings they generated up through the cotton industry in southern Queensland was about 10 percent. Simple things like that have generated significant savings without a major investment. If you head towards a subsurface drip irrigation system, which has been trialled in the cotton industry, you could pick up another 30 or 40 percent water use efficiency there. They typically cost somewhere between \$3,000 and \$5,000 per hectare to instal, obviously have a fairly big capital investment involved, and have the added question of the return flows either through the subsurface or on the surface not going back into the system and what happens to that. I guess we would reiterate that we think it would be a situation where the environment as it is represented by whatever the vehicle is to hold the environment water will need to be in the market progressively buying that water back as required. We do not see a simple policy solution to say, as we have said before, if you save 10 percent of water on your farm you have to give 5 percent back to the environment. That is going to take away a lot of the pressure that is going to apply naturally to get those efficiencies.

I think they are the sorts of comments we would make there, and certainly that covers the issue of equity in the second question because, as we said, if we are forcing people or asking people to make that sort of investment of \$5,000 a hectare and then saying, oh, by the way, we're going to take 10 or 15 percent of the water you save off you, you have to find some way to make that sensible and that sort of approach in a blunt fashion I do not think is going to work. It is going to kill the incentive rather than encourage it.

CHAIR: The two year review of pilot interstate water trade shows that salinity increased in South Australia despite the States implementing various control measures. The report stated that all States find it difficult to monitor and enforce salinity controls in trade. How effective are use licence arrangements? Presumably that is the point that ABARE and CSIRO are recommending, market mechanisms.

Mr KEOGH: And I would not confess to be 100 percent clear, but I suspect you would find that in South Australia, and certainly in Victoria, the separate concept of a use licence is not in place in the same way as it is in New South Wales. That is one of the difficulties, and I guess that is part of the COAG agenda, to try and square up between the States so that what you are actually trading is a common thing and those issues are dealt with at the point they should be dealt with, you are not trying to cover everything in dealing with the water trading issue.

Mr HUCKEL: Looking at some of the literature as well, particularly the American experience, something that they found quite important in terms of establishing a water trading market was to be able to accurately measure the value of the water. It is something which we encountered with water sharing plans in New South Wales and was also addressed by the socioeconomic review committee. There is the need to be able to accurately monitor how much water is actually being used by farmers' industry and urban areas. I think out of that review committee - Mick was on that - there was a recommendation that departments look to improving their monitoring capacity in terms of how much water is actually being used, particularly in a lot of unregulated systems. There was no clear answer on how much was being consumed by farmers.

Mr KEOGH: Certainly that was a real issue because the water management plans in some of those catchments were prepared on the basis of an assumption about the amount of extractive use that was occurring. We were surprised by the degree to which there was not monitoring of water use and had proposed as part of that perhaps an incentive scheme that suggested that within a couple of years it would be mandatory for all water use to be monitored. We have discussed that with the irrigators council and they did not seem to have a major objection to that sort of thing, but it was extremely difficult making an assessment about those plans when in fact there was not the data there to support them. The point that it highlighted was, when the five yearly review of those plans commences in another two or three years, it would be ridiculous to go into that review without that information being available, so if this Committee was interested in looking at how there might be an arrangement put in place to have a much better monitoring regime in place right across all those 30-odd water management plans, I think that would be a very important step in getting this reform process sorted through in a good manner.

Mr AMERY: And a good thing we could chase up. I think it is one of those walk around the world type policies, gradually happening day by day, metering and monitoring. I would not mind getting a report from the agencies on just where they are on issues of monitoring and metering. There are lots of areas where we have for some time been moving away from area based to volume based water allocation and it would be good for the Committee to get a report about where we are up to on that and how far we have to go.

Mr HUCKEL: I think there have been some improvements in the monitoring side of things, but whether they are happening quickly enough--

Mr AMERY: Nothing ever happens quickly enough.

Mr HUCKEL: Particularly if we are talking about establishing some sort of trading regime under a national water plan within 12 months or within 18 months, as I said with America, you actually have to be able to measure how much water is being used because you cannot price it, hence it creates enormous difficulties in regard to trading it. It is something which tends to be overlooked when you actually create a water trading market.

Mr APLIN: We have talked primarily about the more efficient usage of water, which is quite clearly commonsense, but given that the major storages were established primarily for irrigation purposes and to guarantee supply to all users, what is the view of the association on either increasing the number of or enlarging the capacity of storage facilities, dams, reservoirs, et cetera?

Mr KEOGH: That is certainly a challenging issue. We would, for example, have a lot of members who would suggest that running a big pipe through the mountains and turning a lot of the Clarence inland would be a good idea, and then we have others on the Clarence who suggest that that is not a very good idea, and a number of oyster farmers who would also be opposed to it. We certainly would not want to say that the potential for further substantial capturing of water and making it available should be written off, but we recognise that there is probably a fair bit of difficulty in seeing a way to have that happen from an environmental and an economic perspective. We would certainly encourage that to be looked at. A recent agreement we signed off with the Australian Conservation Foundation at a national level dealt with that issue and suggested that it should not be ruled out and that rigorous processes should be in place to allow that to be considered, but I think the message certainly in New South Wales seems to be that the potential for further expansion of water resources and availability of water resources is pretty limited.

Mr HUCKEL: We tend to focus on a lot of water issues west of the Great Divide, but Don would be aware in his electorate, particularly with coastal unregulated streams, they have very high flows because of high rainfall during periods of the year and all the horticulturalists need to be able to tap into those high flows and pump that water into on-farm storages, so particularly for the coast a lot of our members have expressed the need for more on-farm water storages in order to access the high flows within those coastal streams because what is happening at the moment is that during the periods when they are not experiencing high flows they cease to pump, they have to turn off their pumps and

they cannot finish off an avocado crop or they cannot carry out dairy wash-down or things like that, so I think particularly in terms of the coast, and I know the members on the coast would like me saying this, there is a lot of opportunity to look at that very issue: Off-river on-farm storage.

Mr APLIN: If we were to no longer build the lakes and reservoirs that we have established under the current climate, because that is certainly the policy at the moment, then would those communities that are reliant be jeopardised and be likely to suffer as a result of the withdrawal of water, because clearly in my area, which is the Murray, the farmers are asking for more storage facilities?

Mr KEOGH: Yes, I think we have to be fairly blunt about this. The value of irrigation is about a third of all agricultural output and about \$8 billion dollars a year and all those communities on the Murray, the Murrumbidgee and the MIA are all absolutely dependent on water, and I do not think we can escape from that now. Some might say we should never have built those storages in the first place, but you can take that to the extreme and say Europeans should never have settled the country in the first place. I do not think it is logical. You work within the system you are in.

Certainly there are some questions about issues along the Murray. For example, there is no hydro in its role and how its water is more secure than - I think they have a 75 year licence with a guaranteed compensation clause with the New South Wales Government. I think irrigators look at that and say, "We would like something like that as a similar entitlement", but I think the Living Murray project that is under way at the moment, or I should say as of today stalled, was going to look at in a fairly rigorous way the science associated with whether or not extra flows are needed in the Murray and the practical economics, and look at them in balance in that process. Certainly that is the way we would like to see things happen. What has happened there now is it is a bit up in the air because they have decided not to release the scientific report and the socio-economic report is not yet available, despite being promised in August. So there has obviously been some hiccups along the way there.

Certainly our view would be that these issues need to be looked at pretty carefully and in a balanced way that considers all the issues, not just environment and not perhaps just economic, but whether there is room for additional storages on the Murray or not I think is an interesting question.

Mr HUCKEL: Something which has come through from our members within that area is that opposed to maybe looking at additional storages, also focus on improving the existing storages in terms of infrastructure and whatnot, and that may include, for example, raising the dam wall or what have you, or looking at some of those barrages down in South Australia. The feedback we are getting from members is that there are a lot of water savings which can be found in the existing system if we look at that infrastructure.

Mr KEOGH: Ultimately, you run into the issue, and we have run into this on a number of occasions, we have irrigators a bit west of Albury demanding more water and farmers up in the Mitta Valley saying, "Don't you dare. You will flood us out", because if they make the releases, the only way they can get more water down is to flood the farmers in the Mitta Valley. So an organisation representing both groups poses an interesting challenge on some occasions, which I am sure you run into a fair bit.

(The witnesses withdrew)

(The Committee adjourned at 11.10 a.m.)