

**REPORT ON PROCEEDINGS BEFORE**

**LEGISLATIVE ASSEMBLY COMMITTEE ON  
INVESTMENT, INDUSTRY AND REGIONAL  
DEVELOPMENT**

**INQUIRY INTO THE IMPACTS OF THE WATER AMENDMENT  
(RESTORING OUR RIVERS) ACT 2023 ON NSW REGIONAL  
COMMUNITIES**

**At Burley Griffin Room, Griffith Regional Theatre, Griffith, on Wednesday 23 July  
2025**

**The Committee met at 9:00.**

**PRESENT**

Mr Roy Butler (Chair)

Mr Stephen Bali (Deputy Chair)

Mr Justin Clancy

Ms Charishma Kaliyanda

Mr Warren Kirby



**DAMON GOOLAGONG:** Thank you, everyone. My name is Damon Goolagong. I am the Aboriginal Liaison Officer at the Parliament of New South Wales. I am a Wiradjuri man from a little place called Condobolin. I am sure you all know where it is. First, I would like to take a moment to acknowledge the traditional custodians of the land we're on today, the Elders, ancestors and community of this part of Wiradjuri country. As a proud Wiradjuri man myself, I acknowledge that while this is my country, I'm not an Elder, nor am I a part of this community. I pay my deep respects to the local families and Elders here, past and present, who continue to care for this land, water and culture. I honour the stories, the strength and the survival of the people from this area and thank them for allowing us to gather here today. Thank you.

**The CHAIR:** Good morning, everyone, and welcome to the public inquiry of the Committee on Investment, Industry and Regional Development into the impacts of the Water Amendment (Restoring Our Rivers) Act 2023 on New South Wales regional communities. I am Roy Butler, Chair of the Committee. I am joined by my colleagues Mr Stephen Bali, Deputy Chair and Member for Blacktown; Mr Justin Clancy, Member for Albury; Mr Warren Kirby, Member for Riverstone; and Ms Charishma Kaliyanda, Member for Liverpool. Our other Committee members—Ms Maryanne Stuart, Member for Heathcote; and Richie Williamson, Member for Clarence—are apologies today.

Before we commence, I acknowledge the Wiradjuri people, who are the traditional custodians of the land on which we meet here in Griffith. I also pay my respects to Elders, past and present, of the Wiradjuri nation and extend that respect to other Aboriginal and Torres Strait Islander people who are either present or are viewing the proceedings on the internet. I thank Damon Goolagong for his acknowledgement of country. I declare the hearing open.

**Professor FIONA DYER**, Member and Past Chair, Upper Murrumbidgee Catchment Network, before the Committee via videoconference, sworn and examined

**The CHAIR:** I welcome our first witness. Thank you for appearing before the Committee today to give evidence. Please note that Committee staff will be taking photos and videos during the hearing. The photos and videos may be used for social media and public engagement purposes on the Legislative Assembly's social media pages, websites and public communication materials. Please inform the Committee staff if you object to having photos and videos taken. Can you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

**FIONA DYER:** Yes.

**The CHAIR:** Do you have any questions about this information?

**FIONA DYER:** No.

**The CHAIR:** Would you like to make a short opening statement before we begin the questions? In the interests of time, I ask that you try to keep it to 90 seconds or so.

**FIONA DYER:** I am here in my capacity as member of the Upper Murrumbidgee Catchment Network because our current chair is overseas and unable to contribute today. The Upper Murrumbidgee Catchment Network, who I represent, is a community-based network of individuals and community groups, businesses and organisations who are committed to improving natural resource management in the Upper Murrumbidgee catchment. Much of the focus around water resources, around the impacts on regional communities, are those from within lowland areas of New South Wales and there's little to almost no attention to regional communities that are in the headwaters or mid-slopes. These are forgotten areas, and this is the area that we represent—that Upper Murrumbidgee area. It's very much forgotten under much of the water reform in the Murray-Darling Basin and forgotten in relation to the impacts for ecosystems and for communities.

**The CHAIR:** We will now move to questions from the Committee. Before I begin the questions, I wish to inform you that you may wish to take a question on notice and provide the Committee with an answer in writing. I would like to ask you about your understanding of the policy and rule changes we've had to date and whether they've had a positive impact, or which ones have had a positive impact and which ones have not, just to understand—which is what I'm working towards—the cumulative impacts of the decisions we've made in the last six to 10 years around water and water policy.

**FIONA DYER:** More broadly than just the restoring our rivers legislation?

**The CHAIR:** Yes. You can talk about any State or Federal initiative around water, absolutely.

**FIONA DYER:** From the perspective of the Upper Murrumbidgee system, this has been a very difficult space to get some attention. For those who are less familiar with that area, under the Snowy Hydro scheme the rivers of the Snowy system and the montane rivers, including the Upper Murrumbidgee, have been highly regulated, and yet they sit outside of water resources legislation. If we think about the Upper Murrumbidgee, somewhere about 95 per cent of the water that flows into Tantangara Dam is taken out of the Upper Murrumbidgee system, transferred across into Blowering and the Tumut system, and joins the Murrumbidgee again back at Burrinjuck. There's around about 450 kilometres of river, or just under 450 kilometres, that is highly impacted by water management in that system, and yet it falls outside of water resources legislation because it sits underneath the Snowy Hydro legislation.

When you think about that, somewhere between 91 per cent and 99 per cent of the water is taken out of a river system, and yet it's legally called unregulated. The water reforms that have occurred in Australia over the past 30 years have really not addressed those issues. In the system, we've had two fish become locally extinct in that river system as a consequence of this. There's major lack of connection for the river. Cooma itself has water security issues in spite of being next door to a very large dam. There are some major problems that have been failed to be addressed by the changes to water resource legislation at both a State and a Federal level in this area. We know that under the restoring our rivers legislation there's been funding put in to try to restore the health of the Upper Murrumbidgee as part of that legislation. That's very much in its early days, and it will be interesting to see how much that can achieve within a short period of time.

But there are broader issues around the ability to manage the water within that river system under current best practice. The Basin Plan can't tackle it because it's not part of their remit. There seems to have been an unwillingness to tackle that further. The water that's made available to the river is somewhere between 1 per cent and 10 per cent of flow in that river as part of the environmental flow provisions. One of the other things I do is sit on the Snowy Advisory Committee. We advise the New South Wales Minister on the way in which water is to

be delivered for the environment within that river system. The water allocation that is received for the environment is based on the preceding year's inflows within the Murray-Darling Basin and then the release pattern is set 12 months in advance. There's no flexibility and no ability to capitalise on rain events that occur within that area to coincide water delivery with naturally occurring signals in the area, so we're severely constrained by the way in which we can deliver water into that river system to achieve environmental benefits. This whole thing is just compounding to really mean that our systems are failing that section of the river.

**Mr STEPHEN BALI:** We're talking about how two of the fish species have, unfortunately, become extinct. Is that because all of these changes have been happening since 2014-ish—

**FIONA DYER:** Sorry, I'm having a great deal of trouble hearing you.

**Mr STEPHEN BALI:** I'm just trying to work out, if we do nothing and leave it to the market and farmers and everybody else to take whatever water they want—is the fish extinction due to changes in policy? When did they become extinct, and was it because there wasn't too much happening beforehand and it was just a free-for-all through the system? The government is trying—from my understanding, regardless who is in power at the time—to improve the health of the water system. So what actually caused the extinction of the fish?

**FIONA DYER:** The extinction of those fish is a combination of the river no longer functioning the way it should function within that system. If you take around 99 per cent of the water out of a river, it can no longer act as the river would. So for something like the two-spined blackfish, which breeds within hollows and within the bed of the river system, if the river can't move through the sediment that gets into the river and those breeding grounds are smothered, then those fish can no longer persist in that area. It is largely a consequence of the removal of a significant proportion of water from that river system. The majority of that is not for irrigated agriculture. The majority of that water is taken out of the system and used within the hydropower generation system. It then becomes available to irrigators downstream of Burrinjuck to use, and there is an opportunity to enable some of that water to flow downstream of Tantangara through to Burrinjuck with no direct impacts on the downstream uses—downstream of Burrinjuck—but it provides habitat along the way in that Upper Murrumbidgee system.

**Mr STEPHEN BALI:** The Murray cod industry has been growing in this area. How does that fit in? I should look at maps and get people to look at it, but the Murray cod has been improving. Is the restriction taking money out—

**FIONA DYER:** There is Murray cod within the river. There is some thought that that is largely a consequence of stocking activities within the river, although I know they do breed through the ACT section of the Upper Murrumbidgee. Whether they're improving or not is a question in that section of the river.

**Mr JUSTIN CLANCY:** Professor, thanks for your time. I just wanted to touch on the submission where it speaks about the *Snowy Water Inquiry Outcomes Implementation Deed* and the review of that. Firstly, the submission says the review will start in 2024-25. I just want to check with you. Has that review started, from what you know of it, and has that involved your entity? Then, how does that review or that deed impact on the rest of the system in terms of, as you said, downstream of Blowering, and how would changes around that view potentially impact downstream of Blowering? And I would welcome the chance to talk a little bit more about Tantangara to Blowering.

**FIONA DYER:** Yes, that review process has commenced, and there is work being undertaken, as far as I am aware, to put together a series of scenarios to then be able to evaluate what the consequences would be of a readjustment of the way in which water is managed within that system. That review has commenced. It's still very early days as yet, so there's still a lot of work going. It was a promise made by the Federal Minister prior to the last election. So subsequent to the Federal election, there's been a process put in place to undertake that review. I am expecting that the Upper Murrumbidgee Catchment Network will be involved with that conversation.

The second part of your question was about the way that will affect the water use downstream of Blowering. The SWIOID, the Snowy Water Inquiry Outcomes Implementation Deed—we prefer "the SWIOID" because it's easier to say—really sets out the way in which water is shared within that system. If we're looking at a rebalancing of the way in which water is shared within that system, it is done through the mechanism of the SWIOID.

From the perspective of the health of that river system between Tantangara and Burrinjuck, having water that passes downstream of Tantangara instead of being passed across into Blowering and then downstream into the Tumut is really just a different pathway for that water to get to users downstream of Burrinjuck. What it would do is take some of the pressure off the Tumut. At the moment we know that the Tumut, particularly during the height of summer, runs with far more water in it than it would naturally. If you pass water through the upper part of the Murrumbidgee, you have improvements in the health of the Upper Murrumbidgee and no net adverse impacts downstream.

**Mr JUSTIN CLANCY:** Thank you, that's the point I'm seeking there in terms of restoration of flows from there to the Upper Murrumbidgee catchment. Can you potentially see that that is not taking away water necessarily from downstream users in that regard?

**FIONA DYER:** No.

**Ms CHARISHMA KALIYANDA:** Professor, I was really interested to see in your submission that there was a forum held late last year with a broad range of stakeholders. I was curious to understand whether the feedback or what was discussed by stakeholders at that forum has much alignment with the restoring our rivers Act and some of the directions contained within that.

**FIONA DYER:** The discussions at that forum—which I have second-hand because I wasn't actually able to be at that forum personally—are very much focused around the value that people place upon that section of the river, the connections that people have and their concerns around the health of the river. There has been significant community pressure over the last couple of years in trying to get some attention for the Upper Murrumbidgee and the better management of that river. This is part of that process to really bring the community voices to the fore around water security in that region and to address concerns around water quality.

One of the things that happens when you take water from a river is that it can no longer pass things like sediment through the system, and you end up with high turbidity. You end up with a system that is really not able to function very effectively. The other thing that tends to happen is that the water is warmer. The potential for things like blue-green algae increases, and blue-green algae can have significant impacts on the health of people who are exposed to it longer term. There are some very real concerns that people have, particularly those people that live along the river and are connected to it, around the quality of water and the security that it supplies to them.

One of the things that you may not be aware of is that during the 2019-20 drought the river ceased to flow near to the ACT border at the same time that the bushfires were occurring in the area. The cease to flow that occurred at that time was in part a consequence of water theft from the river as well. There was somewhere between 40 and 100 megalitres a day flowing into Tantangara Dam. There was a requirement to release a minimum of 35 megalitres a day, which is a pittance. It was incredibly dry. There were bushfires. There was water theft along the river—and there's an NRAR finding around that—and the river ceased to flow. It's not really a very great set of circumstances for the local community in that area to have their river, which should be flowing, cease to flow when you've got bushfires happening.

**Mr WARREN KIRBY:** Thank you for coming and sharing your knowledge and expertise. What other measures do you think are needed to support the environmental outcomes in those regions? I'm reasonably certain you've answered this already, but are these addressed as part of the 2023 Act?

**FIONA DYER:** They're not completely addressed as part of the 2023 Act, so there is some provision to provide resources in terms of some monitoring, some research. There are drought provisions for water to be provided to that section of the river within the Act. The actual practicality of making that happen, I have some concerns. If the rubber hits the road and there are drought conditions in that Upper Murrumbidgee system, it is going to be a very interesting process to see whether that water—there's money made available to purchase water for the Upper Murrumbidgee, but whether the other rules and regulations within that system, and the way in which that interacts with Snowy Hydro's operations, can be sufficiently flexible to enable water to be delivered during that period of drought, I think there are still some very serious questions around that.

The Act doesn't go far enough, but I recognise that it's really an interim phase. It's an extension of the Basin Plan arrangements for a further three years, with some additional provisions in there to deal with certain things. It's the first step in the right direction, but it is still a first small step. There is considerably more to be done within that Upper Murrumbidgee section to mean that it matches the rest of the State when it comes to the management of water resources that achieve multiple outcomes. We need outcomes for food and fibre production, we need outcomes for electricity production and we need outcomes for the environment. At this stage, we are well behind much of the rest of the Murray-Darling Basin in the way in which water is managed in that section of the river.

**Mr WARREN KIRBY:** You touched on electricity. Do you have any concerns or expectations of the impact of Snowy 2.0?

**FIONA DYER:** The impact of Snowy 2.0 is very much going to be around the way in which that is operated. There is the potential that because it is a battery storage system there may be a greater ability to have water passed downstream of Tantangara Dam. But there is also the potential that there is less water available. It very much depends on the way in which that system is operated. It's one of those ones where unless there are conversations that are occurring between now and when that system is operated around the expectations or the

environmental outcomes of the operation of a hydro-electric scheme, then we're going to be well behind the eight ball in that area as well.

One of the things across the world is that hydro is considered to be green power, but hydro power has massive implications for ecosystems in rivers. There are ways of managing it so that you minimise those impacts, but it requires a concerted effort and requires responsibility to be taken up for minimising those environmental impacts. We are hoping that, as part of the SWIOID review, the expectations for minimising the environmental impacts of the operation of hydropower generation will be made very clear within that. I think, to be fair, Snowy Hydro have been given responsibility for maximising their electricity output and they've not been given responsibility for minimising their environmental footprint. That has been partly addressed by the revision to the statement of expectations by their major shareholders, which are the two Federal Government Ministers, the energy Minister and, I think, the Minister for Finance—but there is more to be done in that space.

**Mr JUSTIN CLANCY:** Professor, over the journey there's been significant volumes of water acquired for the environment by both State and Commonwealth bodies. Has the Upper Murrumbidgee Catchment benefited from that environmental water? Has it been employed in the Upper Murrumbidgee? Returning to my previous question, where you mentioned those flows are available for downstream users, if there was environmental water employed in the Upper Murrumbidgee, it would be returned again for further environmental use downstream as well?

**FIONA DYER:** Yes. Because the Snowy system sits outside of the water resources legislation, the recovery of water under the Basin Plan arrangements has not been the recovery of water for the Snowy and montane rivers. In the 1990s the Snowy Water Inquiry was undertaken, and there was water allocated to the Snowy and montane rivers. At that stage the aim was to return something like 21 per cent of the original natural flows. There was a very strong focus on the Snowy River in that system, the Snowy being one of Australia's iconic river systems.

The Upper Murrumbidgee is allocated flows as part of that as well, but has way less than the same effect. This sees the Upper Murrumbidgee receive something like less than 10 per cent of its original natural flows, and in some years it gets down to as low as 1 per cent. Water recovery through a separate process has seen environmental water allocated to the Upper Murrumbidgee—absolutely—but it is a fraction of what is considered reasonable in any other forum in that system. If water was delivered for environmental outcomes within that Upper Murrumbidgee section of the river, that water could be either reallocated to, say, irrigators or other users downstream of Burrinjuck, or it could also be protected and passed through directly to achieve environmental outcomes downstream.

**Mr JUSTIN CLANCY:** Appreciating that we're going to have conveyance losses and losses associated with that local environment, at the end of the day, one of the themes has been about optimising use of environmental water and employing it at multiple locations, rather than a single use downstream. There is the opportunity there that further environmental flows could go through the Upper Murrumbidgee but then be made use of downstream as well.

**FIONA DYER:** Yes, absolutely. One of the things that was attempted at one stage as part of the ACT's water security measures was water licences. They were purchased by Icon Water, as they are now—at that stage I think it was actually ACTEW—to help provide a secure water supply for Canberra. The idea was that you could achieve some environmental benefits to that water as it was passed to Tantangara down to the ACT, but they could not come to a reasonable arrangement with Snowy Hydro about the way in which they could call on that water. They essentially had to order it 12 months in advance. They couldn't come to a reasonable arrangement that would enable multiple benefits to come from a single parcel of water so it could have achieved environmental benefit while being delivered down to improve the security of supply to Canberra. This was undertaken at the time when they enlarged water storages for the ACT as well. There are some opportunities being missed because of the way in which this system is managed.

**Mr JUSTIN CLANCY:** Further to that point, one of the themes yesterday from YACTAC was clear water—water quality. The point to make there is if you're improving the quality of the water in the Upper Murrumbidgee, that's going to be of benefit at all points downstream as well, in terms of the quality of the water.

**FIONA DYER:** Absolutely.

**The CHAIR:** Professor Dyer, thank you for appearing before the Committee today. You will be provided a copy of the transcript of today's proceedings for corrections. Committee staff will also email any questions taken on notice from today and any supplementary questions from the Committee. We kindly ask that you return these answers within seven business days of receiving those questions.

**(The witness withdrew.)**

**JACKIE KRUGER**, General Manager, Leeton Shire Council, sworn and examined

**Councillor GEORGE WESTON**, Mayor, Leeton Shire Council, sworn and examined

**Councillor RUTH McRAE**, Mayor, Murrumbidgee Council, and Chair, Riverina and Murray Joint Organisation, sworn and examined

**YVONNE LINGUA**, Executive Officer, Riverina and Murray Joint Organisation, affirmed and examined

**The CHAIR:** Before we get started, could I ask that people make sure their phones are on silent. Also, only Committee staff and media organisations are authorised to take photographs or record the hearings. If you would like a copy of some photos, you can speak to the Committee secretariat and they will be able to give you a hand. I welcome our next witnesses. Thank you all for appearing before the Committee today to give evidence. Please note that Committee staff will be taking photos and videos during the hearing. The photos and videos may be used for social media and public engagement purposes on the Legislative Assembly social media pages, websites and public communication materials. Please inform the Committee staff if you object to having photos or videos taken. Can you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

**JACKIE KRUGER:** Yes.

**GEORGE WESTON:** Yes.

**RUTH McRAE:** Yes.

**YVONNE LINGUA:** Yes.

**The CHAIR:** Do any of you have any questions about this information?

**JACKIE KRUGER:** No.

**GEORGE WESTON:** No.

**RUTH McRAE:** No.

**YVONNE LINGUA:** No.

**The CHAIR:** Would anyone like to make a short opening statement before we begin the questions? In the interests of time, I ask that each organisation only makes one opening statement and that that statement is limited to around 90 seconds.

**GEORGE WESTON:** I might go first, if that's okay. Very quickly, Leeton is the birthplace of the Murrumbidgee Irrigation Area. We are part of the food bowl of New South Wales and home to the Australian rice industry. We also grow citrus, grapes, nuts, vegetables, cotton and avocados. While our farmers are heroes, we value-add to all this stuff that we grow. We have industries. We grow rice and we make rice cakes. We have fitters and turners. We have lab technicians—all those sorts of people need to be working. We grow oranges and make orange juice. We grow grapes and we make wine. We just want to let you know that the social cohesion of our town is very valuable.

In time in the knowledge that we already recover a significant amount of water to environmental global standards, we need to stop chasing arbitrary recovery targets and arbitrary dates. Even the MDBA acknowledges just adding water is not going to make our river system any healthier. In closing, lastly, with the Basin Plan mark II around the corner we need to work together better, in a trusted, open and transparent way. It needs to be a truly integrated approach that delivers a win-win for local communities, local economies and the environment.

**RUTH McRAE:** I am the chair of RAMJO, so I would like to make a statement on behalf of them, please. Thank you, Chair, for the opportunity to present today. As chair of RAMJO, the Riverina and Murray Joint Organisation, I represent 11 councils in the southern basin. There are three significant irrigation communities in our footprint—the Murray, the Murrumbidgee and Coleambally—along with several private schemes and direct river pumpers. Our irrigation schemes are, arguably, nation-building infrastructure. Today our region produces well in excess of 10 billion in gross regional product from a mix of agriculture, manufacturing and tourism. Water is our lifeblood. We value water. We are responsible for our water and how we use it.

As basin communities, we generally support the intent of the Basin Plan but continue to take issue with how it is being rolled out. The environment matters, absolutely. But our rural communities matter too, and we need to find the balance of making changes at a rate and pace that are a win-win for all concerned. The life message is we work and we strive to be successful and to be productive and make the best of where we live. We don't want

to just survive. At the moment, we feel like we are surviving—just. We hope this inquiry will prompt the New South Wales Government into action, be it themselves or by advocating strongly through MinCo.

We have identified five priorities: One, insist on no more buybacks, especially the 450 gigalitres under restoring our rivers legislation; two, reinstate genuine socio-economic testing before decisions are made; three, protect the property rights of farmers—water entitlements are property rights after all, and they are being systematically eroded; four, embrace transparency and truth, and include local government as a trusted partner when making major decisions that will impact local communities; and, five, properly fund structural adjustment initiatives where communities are impacted to appropriately compensate for long-term impacts on jobs and local economies. The current dollar amount is insufficient if the full 450 gigalitres of additional water is bought back by the Government. Last but not least, we need to see the New South Wales Government actively fighting for our rural communities. Writing reports of policy positions that appear to support us count for nothing without genuine, sustained and visible action and advocacy by our New South Wales Premier and Ministers.

**The CHAIR:** Before we begin the questions, I wish to inform the witnesses that you may wish to take a question on notice and provide the Committee an answer in writing. I'll lead off with the first question. I'd like for both groups to talk about the impacts of previous rounds of water buybacks, or changes to water policy, and the impacts that that's had on your communities, on businesses, on population and any other element of your community that has been impacted by it.

**JACKIE KRUGER:** Thank you, Mr Chair. In terms of the previous buybacks there is good evidence that there's been an impact, not just in the Murrumbidgee area but also along the Murray River. The Murray-Darling Basin Authority has done some homework on those impacts in the past, and it is clear from the results that they found and had evidence for that there's been a definite impact as a result of buybacks. The notion that buybacks don't impact communities is a false one, if anyone does have that view—they absolutely do, and in our particular area it's not just impacts at the farm gate. We are deeply concerned that when governments—particularly the Federal Government—look at impacts they tend to rely on the ABARES report. The ABARES report on the impacts for water recovery is very much about impacts for primary production, impacts at the farm gate.

We contend, very strongly, that those impacts flow through to our communities, where hundreds and hundreds and hundreds of jobs are at risk as a result of that, because the products come through to our towns where we have value-added manufacturing happening. That creates jobs, not just for processing it but in the rice industry, for example, as the mayor said, they turn it into rice cakes, flavoured rice, cup rice. That adds valuable export earnings for the nation as well. When we see buybacks reducing primary productivity, it flows on to jobs in our towns and communities.

**RUTH McRAE:** It's interesting, Chair, that you've used the word "cumulative", because in all of our dialogue currently we're not allowed to use the word "cumulative". There's no understanding for cumulative impacts. I just found it fascinating that you used the word.

**The CHAIR:** I very intentionally used that word.

**RUTH McRAE:** You did? Okay, well, you got the right reaction, obviously.

**The CHAIR:** In this hearing you are more than welcome to talk about the cumulative impacts of decisions and policies. It doesn't have to just be buybacks; it can be also State and Federal policy decisions that have impacted—I'm introducing a phrase here—"rules-based recovery", which is something that I think I've seen around the State.

**RUTH McRAE:** It's reassuring for you to say that, Chair, that you are actually listening and you are valuing the cumulative impacts. That's my interpretation. Hopefully, it's correct.

**The CHAIR:** Absolutely.

**RUTH McRAE:** The loss of confidence in our communities is huge. The lack of confidence, which then compromises genuine investment in our communities, is immense. What we have found as a significant impact is the fact that the corporate and the bigger end of town has become larger and those that chose and have contributed and generated a liveability out there in our rural and regional areas are the collateral damage. The lack of water security, the lack of attractability for workforce, the compromised industry that comes with an ability to be good when it's good but when the water security is not as it is or the climatic conditions are not as they are the commodity prices are up and down—those cumulative impacts, alongside the water insecurity, are huge.

The cumulative impacts are significant and are ongoing. To bring the water buyback again to the table, rather than taking up the initiatives or ideas of the people, not the government, is really devastating to our communities. We feel compromised in this space. As a collective of local government entities, our job is to ensure

that our communities have a life. In my address I said water is the "lifeblood" of where we live. The social impacts are huge, the economic impacts are huge, and they are cumulative, and they are ongoing.

**YVONNE LINGUA:** If I could add to that as well by extension, the effects of these previous programs as well have an impact on broader investment and the morale of these regional communities because our economies are very holistic. They interact with each other very much, so the flow-on effects, aside of just the industry and the manufacturing jobs and what not, are also felt in the small businesses that operate within these communities when the funds stop flowing. That also has flow-on effects to tourism as well. If you go to a small town and you're visiting from a city, you go out for breakfast, you do some shopping and you do these things, so it's also these small businesses that are greatly affected by these policies.

**GEORGE WESTON:** I would like to add also that to try to keep our young in the bush, to keep working in the bush and to attract people to the bush, city people are getting a negative idea of what we do. It's not just rich farmers growing things. There's social cohesion and people who are actually working with skills that need to be kept in the bush. Imagine everybody leaving the bush and heading towards Sydney or Melbourne. It would be quite chaotic. But there is a social environment out here in the bush. We have built our industry and our committee on water. We understand water has to be looked after. The farmers have been very efficient—among the most efficient farmers in the world—and in some cases they will use the water twice. We are conscious about that. We just want government to understand this going forward.

**RUTH McRAE:** I've just got one more point. Recently we attended a national conference in Canberra and we had a demographer speak to us about how we're going, how we're doing, as a nation. It was quite confronting. A point he made is that we as a nation, and we with our three tiers of government, need to clearly recognise that agriculture makes a significant contribution to our nation. Our social, our economic and every part of how we live should be valued. He felt that, along with most of us in the room, that the value placed on agricultural production and what it contributes to us as a nation is very undervalued and has been on the down slide for a significant amount of time.

We feel, as a joint organisation and collection of councils, when they are collecting data and they are making assumptions and predictions about how we move forward, you can't just take agriculture in isolation. You need to attach the manufacturing component to it also because that's where the jobs are. That's what makes where we live hum. We clearly state that, when they are coming back to the value of agriculture and how it should be perceived, the manufacturing component must be clearly embedded in the agricultural tag.

**Mr JUSTIN CLANCY:** I have two questions. One is just leaning into that when you, Mayor Weston, spoke about that loss of confidence, and I just want to turn that, based on Mayor McRea's last comment, to when we add confidence into those communities, particularly around food manufacturing and value-add the product, what does that look like? We drove from Deniliquin to Griffith yesterday and we passed a new mill at Jerilderie. From what you see, what does adding that bit of confidence do to a community on the flip side?

**GEORGE WESTON:** There are two parts. There are the people you want to bring out from Sydney, Melbourne and Canberra to come and work for us. Those people have an idea that there's a problem with continuation of water, so it's hard to bring them out. The local people also who want to learn trades and learn skills are also worried about the future of water. Is that the question you are asking: Are people worried about the negative connotations about the rivers being beyond repair, so to speak, and we have to have more environment water coming down and there's a balance? It leads people thinking twice about do we stay in the bush? Do we buy a house? Do we do our skills here, or should we leave?

All of the country towns are trying to get people to move out from Sydney, Melbourne and Canberra and come to the bush. In our area, in the Riverina and Murrumbidgee Irrigation Area, we have water. We're a bit better than other places which have droughts, and it's even harder for those other places—those dry areas. To try and keep people here and to try and attract people here—when you talk to people, it's in their mind: What is the future, and what's going to happen? Have I answered your question?

**Mr JUSTIN CLANCY:** Yes, and just touching on that, if we can provide certainty around water policy and therefore give confidence for investment, when you see that, what does that look like for your community?

**GEORGE WESTON:** A spring in their step, so to speak, people buying in and people building. But even big corporations think twice about water because, at the moment, we have nuts being grown, and sometimes the water goes to the highest bidder. Sometimes that's a bit hard with different types of crops being sold. But to have people feel that there is more a feeling of progress and feeling of a future amongst the people when they do know something is going to happen, big business will invest and small people will stay and get trades and stuff.

**JACKIE KRUGER:** Through you, Mr Chair, achieving that certainty—a very important step towards that is having all the tiers of government working closely together. At the moment, our communities lack

confidence because we are not working in an open, transparent environment. We are not truly working in partnership where all of our voices are recognised. Stuff is being done to us via Government policy that is just announced and then we have to roll with the punches. If there was more respect at all the tiers, and we worked out exactly who we are, where we wanted to get to and what we can all do together to achieve those shared outcomes, I think there would be far more confidence and we'd get better results, ultimately. Having that certainty, and certainly the 1,500 gigalitre cap on buybacks gave us a level of certainty as well, and I think removing that certainly has undermined confidence in the regions.

I also think that, as Mayor McRae from RAMJO was saying earlier, we are committed to the environment. Just because we are irrigation communities doesn't mean we don't care about the environment; we very much do. But I think we all need to admit we live in a very altered state. The river systems in the Murrumbidgee and Murray are very altered, so let's not try and pretend that we are going to get them back to a pristine situation. Let's do our best to make sure that they can be as healthy as possible going forward but in a way that serves the community, serves the economy and serves the environment. We come back to saying what everyone is saying at this table: Let's look for win-win solutions.

**Mr STEPHEN BALI:** Especially that last comment—I'd just like to further explore that. As far as all tiers of government working together and people's perceptions, I totally agree with you on that, but you can apply that to anywhere, especially Blacktown, which is in the news at the moment. How people perceive different things—you just have to deal with it. I just want to explore the last part. The water system is suffering at the moment, and that's as a result of irrigation and all sorts of other things and, as you said, we can't go back to the pristine days. We can't go back to pre-colonisation. But your second point there was enhanced regulation and stricter floodplain harvesting rules and compliance mentoring. What I'd like to focus on—and I've got the five-point plan that was mentioned before—is takeaway points. What do you want us to understand, to explore and to take back to the Federal Government to support you? How do we balance it because, if we do nothing and we say, "Leave it as it is," the water systems are dying, so we need to do something.

One thing we were exploring the other day was, essentially, should we actually have at least a minimum. With water buybacks, it seems to be anywhere and everywhere. Any farm that puts their hand up takes it. You can end up with certain areas—you're killing an area due to economic pressures on that particular farmer at that particular point in time. It might be in their best interests and the farm and that area. Should we actually target areas along there to say this area must have a minimum number of gigalitres that supports the farmers, and then from there—and electricity, as we just heard a second ago. What are the practical suggestions of improving the health of the water? We can't just simply say how it's working at the moment is working. It's not working. What are some potential changes over time we should be considering?

**RUTH McRAE:** From my experience, the way the water is delivered is also having an adverse impact on our river system. By having a highly regulated system with many stakeholders, with the requirements for irrigation, for community, for town water supplies, for the environment and for all of them, quite often we find that our rivers and our feeder creeks are pulsed. They just go up and down like this—so very obvious slumping. The filth that it creates from—and this is a technical word—the "whoosh" of the water coming down or the very slow trickle. One of our towns in our local government area is actually on the Billabong Creek, which is the town's water supply. I'm telling you, in my next life I don't want to come back as the filtration system that tries to work with that water because at times it is filthy. I attribute that to the highly—quite possibly, in my mind—over-regulated water delivery mechanism.

**Mr STEPHEN BALI:** But how do you regulate? As you said, there are irrigation needs, there's town water needs, there's electricity—

**RUTH McRAE:** Environmental needs.

**Mr STEPHEN BALI:** —and environmental. You need to have some regulation to say who is the number one priority, number two priority and number three, and therefore try to break out who gets what access. When there is not enough water in the system, someone has to lose out.

**RUTH McRAE:** I guess my point is I am an advocate for a minimum flow rather than a high flow/low flow. That allows for the town water supply requirements to be satisfied and the agricultural needs to be satisfied at the different times during their growth process that they require extra water—and at all times be very mindful of the ecosystem and the natural environment in the watercourse.

**JACKIE KRUGER:** Through you, Mr Chair, we concur as well. It is not only irrigation that is contributing to the rivers not being as healthy as they should be. It's actually the water management practices as well. That is why it is so important that everybody talks together so that we can come up with a better plan at the end of the day. Some of the things that are going to help get our rivers back into a good state are the complementary

measures that are being proposed. We've all heard about the carp herpes virus project. We're waiting for those kinds of initiatives to be in action, because that will go a long way to assisting. That is not irrigation causing the muddying of those sorts of waters. It is a phenomenon for a whole lot of reasons. Actually putting our names to those complementary measures will go a long way. I think at the end of the day when you look at—we are a part of the Riverina environmental water advisory group. We hear what the Commonwealth Environmental Water Holder is achieving. In our neck of the woods, we've got a Ramsar-listed wetland.

There are some phenomenal results for the natural environment happening as a result of water coming back into those systems. These need to be celebrated and promoted. The sense that the river is dying is not a correct statement out there from what we are seeing in our backyards. We are seeing the efforts being put in, and the results are being delivered. There are indicated species that are growing. We have lovely bird-breeding; we have frogs breeding. This needs to be recognised and celebrated. We need to get away from this scaremongering that's happening with propaganda campaigns saying that everything's dying. We believe that we can reach a balance by working intelligently together in an open and transparent forum, with all levels of government working together.

I would also like to just pitch in that there are other opportunities as well for looking at—we can still try and find more water over time, but let's do it slowly and intelligently instead of just chasing an arbitrary number and an arbitrary time frame. Our farmers have shown that since 2012 when the Basin Plan rolled out, they've actually been able to maintain productivity, in fact grow productivity, even with reduced water. That shows the level of commitment and smarts in our entrepreneurial community, and those things can be harnessed over time. We have a rice-breeding program that wants to work on getting rice that can—I think they call it "dry rice". Ironically, the Sustainable Communities Program won't fund that project. How does that make sense? This is part of who we are as a community and we want to improve the way we grow rice, but the funding that's available won't fund it. It doesn't make sense to us.

**YVONNE LINGUA:** If I may, Mr Chair, just building on those comments and in response to your question about what it is you would like the message to be taken back and in reference also to Councillor McRea's comments that there's this untapped opportunity within our region to be at the real forefront of innovation in agriculture and how that is just a really missing piece at the moment, when we look at what's happening in the emissions reduction space and the closing down of a lot of coal industries as well, there is going to be a huge gap in the economy in the region.

What we would love to see is, as we've said already, a bit more cohesion between the State agencies, in particular the Department of Primary Industries and Regional Development, which is administering the Sustainable Communities Program. We've attended a number of round tables with them for the launch of these programs, and it has become pretty evident to us that there is a lack of vision from the department as to what they see the future being and how these future economies can evolve with what's coming down the line. Having the Federal Government and its policy really understanding the opportunity of our region in particular and basically helping to make these departments accountable for the role that they play in working with communities to ensure that that vision can come to light is an important step.

As we've touched on as well, the role of local government and our organisation as well, as a collective of 11 member councils in our region, we do have the mechanisms existing now to be able to leverage that expertise and to be able to bring that to the table to be able to design programs and initiatives that are actually going to directly benefit our communities. I don't know if there were some questions further down the track around—again, I keep using the Sustainable Communities Program as the most recent example, but the lack of cohesion there of course is causing stress amongst communities, again because we're not seeing it tied to this broader vision that's connected to the opportunities that are there.

I just want to highlight that there are existing mechanisms to effectively enable that, and I question why that isn't really happening at the moment. To quote the department when this first round of \$15 million was announced, it was a first in, best dressed scenario. I think it has been maybe about close to five months since that first round was announced and our members have not heard anything back with regards to where those grant applications are at. That's just one portion of the broader \$160 million, which of course is not a lot, so you can understand how there's a bit of stress around that situation.

**RUTH McRAE:** A point that was made very clear at those roundtables, which we welcomed—they coming to Griffith and Deniliquin and Moama; I attended two of them. A point that the people sitting in the room asked for was current, relevant and ongoing communication. We were informed at that stage that, by the end of June, we would be made aware of who were the successful bidders in the initial \$15 million rollout. We've heard nothing. We've had no communication. Not only have we heard whether we're successful or not, but we've had no communication. That, to us as a collective, individual councils and a region as a whole, is disingenuous.

To that point I would like to also add that buybacks shouldn't be the go-to call. We have been asked often—and it seems a bit token—"What are your initiatives out there? What do you see as something that could be actually activated to make the buybacks just considered there in the background but not the go-to?" One point we often talk about is—and we do now have a body in place that looks at the compliance and the regulatory way things are rolled out—better monitoring and better metering and all those sorts of things, which we, as communities, welcome. We don't have to be told to use the water the best way we can for the maximum output; we actually believe that because we live there. We live it. We are the stewards of the land and the use of the water.

We think that there could be more effort and resources poured into that to make sure that the water is used the best way it can be, rather than just deflecting to buybacks every single time. The buyback tag is tainted and it speaks very clearly to the fact that some communities will become collateral damage. Whereas looking at using the water the best it can be used, in the most responsible fashion it can be used—we are happy with that. We are happy with rules, but we are not happy to be sidelined and told, "You're irresponsible. You haven't come to the table. We're going to tell you what to do. Buybacks are the thing."

Lastly, I find it fascinating that the State water Minister states that they do not support buybacks, but—hello—here we are. I'm aware that the Murray-Darling Basin Plan and all of its outputs are a Federal initiative, but surely you've got to get your ducks in a row, because they are the people that are delivering the water—the State Government. I'm happy to hear the water Minister say that they don't support buybacks, but it's very difficult to take that in a genuine context if the missive from the top is not the same as the one at the level below.

**Mr WARREN KIRBY:** I take on board the point that you made earlier about the State Government making more meaningful noise. Bearing in mind that we don't have control over Federal Government decisions, we can advocate on behalf of things like that. If we were unable to change the policy for buybacks, what is it that the State Government could be doing to better support local councils? As a follow-up to that, there are community adjustment programs. Are there examples of those that have—and perhaps, more importantly, those that have not—worked?

**RUTH McRAE:** In our region there are some sustainable diversion limit mechanisms that have been put in place. They've taken five years to get to the table—the one in the Yanco-Billabong system—and we identified originally there were 62 opportunities there. We've workshopped it down to seven—four of those will be implemented—but that plays with your head, seriously. The number of changes in the personnel that we have been dealing with through that is eye-watering and, in my opinion, undermines the whole process. There is opportunity through the SDLAM projects to do that. I think that the State Government needs to be more supportive of the initiatives, not just of the deliverers of the bad news or the news that is going to make the communities more compromised.

I understand, because under the State Government is the local government. We get the hierarchy. But water is more precious than gold in our nation. A bloody-minded, inflexible, non-adaptive plan is fraught with danger, because life changes. Climate changes. Everything changes, so you have to have a plan that has an ability to change—not to sell out. A lot of what the plan states is sound and we've acknowledged that. What the plan doesn't do very well is identify and highlight the good things it has done, because we're so consumed with the fact that we are so vulnerable in that space.

**JACKIE KRUGER:** Also, in response to your question, member of the inquiry, previous schemes have been sugar hits. They've provided communities with short-term opportunities. There has been a strong push from those of us who are going to be impacted by the buybacks that are coming that the next lot of investment needs to be investment that is put into projects that are going to give returns in perpetuity, not just one-off, one-hit wonders. I appreciate that the Federal Government is making many of these decisions, but these water sharing plans that exist across the different States and the fact that MinCo exists is an opportunity for the New South Wales Government to throw a bit more weight around.

We saw that in the last round of decisions made, where the Victorian Government made some very strong calls, but they were alone. If some of the other States had come together, I reckon there would have been a louder voice speaking to the Federal Government and perhaps the level of rollout of buybacks wouldn't have been as big. Potentially, the fact that they have now removed the socio-economic neutrality testing and just given that token attention, where you have to have regard to socio-economics, could have been circumvented had there been much stronger advocacy and meaningful advocacy by Federal Government around that MinCo table.

Going forward, at the end of the day we need the New South Wales Government to help us prepare for what is coming and help slow policy decisions down at a Federal level so that there can be an intelligence lens put on it and we don't have collateral damage. We all want to get to where we need to get to, but let's do it slowly, intelligently and in a spirit of transparency, openness and honesty, with no secrecy behind closed doors. There is

an awful lot of secrecy. You can maybe understand that they want to be a little bit secret about who they're dealing with around buybacks.

But when the Federal Government is doing homework on economic impacts on communities and spends millions of dollars of taxpayers' money on Marsden Jacob, and then we ask them if we can share the raw data and get hold of that so that we can use it, and they deny us access to something that is taxpayer funded and not even political, that seems crazy to us. We really believe there needs to be a true, genuine partnership around all the layers of government, and we're asking our State Government to—I want to say "man up" but that might not be a gender-correct statement.

**RUTH McRAE:** Step up.

**JACKIE KRUGER:** Be stronger and don't just say, "We don't support buybacks," but actually fight for the cause of rural communities impacted.

**GEORGE WESTON:** Advocate.

**The CHAIR:** If I could jump in, we've got that message loud and clear. I'm conscious of time and conscious that I have a Committee member who hasn't had the chance to ask a question. Ms Kaliyanda?

**Ms CHARISHMA KALIYANDA:** Thank you to all of you for your passionate advocacy on behalf of your communities. If we do run out of time, you're welcome to take this on notice. To extend the thread that we've been working on at the moment, Mayor McRae, in your opening statement you mentioned socio-economic testing and you also mentioned structural adjustment initiatives. I was wondering if you could perhaps flesh that out a little bit more, including what you think would make the most impact.

**The CHAIR:** As Ms Kaliyanda said, if you'd prefer to take that on notice, have some time to deliberate about that and provide us with a written response, you'd be welcome to do that too.

**RUTH McRAE:** Chair, I'll answer the first part. I'll take the second part on notice, because it requires more detail. As Jackie quite clearly alluded to, removing the socio-economic neutrality test as a primary benchmark was like stabbing us, really—without appearing overly dramatic. You cannot pit the environment against the human environment. They both are important. If you minimise one by pushing it down the list rather than having it on an equal footing, you automatically make one less important than the other. As local government, we're charged with ensuring that our communities are liveable, socially responsible and economically viable places to live. By removing that wording and saying it will be regarded but does not have the same weighting, it's offensive. It does not give us one shred of confidence that it will be regarded in equality.

**GEORGE WESTON:** It gives the wrong message.

**The CHAIR:** I thank you all for appearing before the Committee today. You'll each be provided with a copy of the transcript of today's proceedings for corrections. Committee staff will also email any questions taken on notice from today and any supplementary questions from the Committee. We kindly ask that you return your answers within seven business days of receiving those questions. Thank you very much again.

**(The witnesses withdrew.)**

**Councillor DOUG CURRAN**, Mayor, Griffith City Council, sworn and examined

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

**Councillor SHARI BLUMER**, Chair and National President, Murray Darling Association (Region 9), and Councillor, Griffith City Council, sworn and examined

**The CHAIR:** Just a bit of housekeeping and a couple of reminders—we've had some new people come in here—could we please switch mobile phones to silent or off. With discussions in the gallery, please take them outside. They can be a little bit distracting and get picked up on the audio as well. Photographs can only be taken by parliamentary staff or authorised media organisations. Members of the public may not take photos or record video during the proceedings. If you want to get some photos, talk to the secretariat and they'll be able to help you out.

Welcome to our next witnesses. Thank you all for appearing before the Committee today to give evidence. Please note that Committee staff will be taking photos and videos during the hearing. The photos and videos may be used for social media and public engagement purposes on the Legislative Assembly's social media pages, websites and public communication materials. Please inform Committee staff if you object to having photos or videos taken. Can you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

**DOUG CURRAN:** Yes, I have.

**BRETT STONESTREET:** Yes, I have.

**SHARI BLUMER:** I have.

**The CHAIR:** Do any of you have any questions about that information?

**DOUG CURRAN:** No.

**SHARI BLUMER:** No.

**BRETT STONESTREET:** No.

**The CHAIR:** Ms Blumer, you're wearing a couple of hats. In terms of making a short opening statement, we'll give you the opportunity to do that for the Murray Darling Association.

**Mr STEPHEN BALI:** Ninety seconds per hat.

**The CHAIR:** Would anyone like to make a short opening statement before we begin the questions? In the interests of time, I ask that each organisation only makes one opening statement and that it is limited to 90 seconds or thereabouts, please.

**DOUG CURRAN:** Thank you, Mr Chair. I want to thank the Committee on Investment, Industry and Regional Development, chaired by the honourable Roy Butler, and all of the Committee members present today for not only visiting our city but also for taking this matter so seriously. The impacts of the Water Amendment (Restoring Our Rivers) Act 2023 on regional communities here are immense. I hope you got a sense of that yesterday in Deniliquin, and here today in Griffith.

I also want to thank my fellow mayors and general managers from surrounding towns who will all be equally affected by ongoing water buybacks. I feel it's very important to note the many stakeholder groups that you will speak to today. There can be no doubt that water buybacks will affect farmers, businesses and communities adversely. However, it is not only our communities that will be affected, but the State of New South Wales will also see a significant downturn in food production, and thus food security; and economic downturn, and thus taxation revenue. It cannot be underestimated how much food production comes out of the MIA. In my case, in the City of Griffith, three million chickens per week, 75 per cent of the wine produced in New South Wales and one-third of the citrus for Australia all come from Griffith annually—\$2.3 billion worth of annual GDP; \$1.8 billion of that is exported annually.

I am sure you will hear more today about the mistruths associated with the need for more water running through the river system. From a community health point of view, I want to point to the fallacy of willing sellers. We are being told by the Federal Government that it is only buying water from willing sellers. However, willing sellers aren't always necessarily willing. Some are at the end of their farming careers, and their children see what the government has done to their parents and often don't want to continue farming. Some are under financial stress and selling water seems like a sound financial decision. However, for our community it can be short-sighted and have long-term negative effects on the remaining farmers. Then there is the "Swiss cheese effect": water being

sold off channel systems that then increases the costs to the remaining farmers, at times making them willing sellers due to escalating costs.

Our community, and particularly our farmers and irrigation businesses, have been improving their use and supply of water for many years now. None of this has been recognised by the Federal Government. The bloody-minded approach of the previous water Minister to proceed with buybacks without any consultation and the removal of social or economic testing has dented confidence and slowed investment. It took Griffith almost a decade to get over the introduction of the Murray-Darling Basin Plan and we are once again being treated with disdain and disrespect. We hope the new Federal water Minister takes a more proactive approach.

We stand united with our fellow councils, our entrepreneurial businesses and our irrigation companies completely opposed to water buybacks. They are not only short-sighted but reckless and completely out of tune with community sentiment. We have recently been engaged by the New South Wales State Government departments as to what programs or initiatives could be introduced to ameliorate the effects of drought. My answer to that is we could create a sustainable irrigation system, such as they did 125 years ago—and now the Federal Government is trying to unwind this extremely successful system to gain metropolitan votes. This isn't what governments are elected for, and we have to stand together and fight for common sense and the future of our State and country. Along with my council, I hope that your Committee is able to comprehend the adverse ramifications for our region and the State of New South Wales. I once again thank you for your attendance in Griffith today.

**SHARI BLUMER:** Good morning, Chair, Committee members and fellow stakeholders listening. I am here today representing the Murray Darling Association, a voice for the communities that live, work and thrive along the lifeblood of our nation, the Murray-Darling Basin, but specifically the councils, the lost voices, of the Murray-Darling Basin Plan. I am the president of the national association, which represents over 170 councils or LGAs across the four basin States: Queensland, New South Wales, Victoria and South Australia. Today, as you are aware, we are meeting on Wiradjuri country, the land of the three rivers—the Macquarie, the Lachlan and the Murrumbidgee—which are central to Wiradjuri culture and history, but also to all of the people who live in Wiradjuri country and in this area. MDA region 9, of which I am the Chair, covers, Griffith, Leeton, Narrandera, Wagga, Hay, Lockhart, Murrumbidgee and Carrathool. You have heard some of our members speak today. We also have a membership with Riverina Water and the Griffith Business Chamber.

Region 9 submitted a formal response to the Committee's inquiry, but there are a couple of points I'd like to take from that and add to. I think it's fair to say, and it has been mentioned before, that post-colonisation, Australia was built on agriculture. The communities that live in region 9, which I won't repeat but will test you later, are built on and survive purely on agriculture or agriculture-adjacent industries and businesses. Initiated efforts through on-farm infrastructure and efficiency investments over the past decade have not led to the results that the Basin Plan wanted. The current proposed water buyback ignores future potential gains through similar projects. I'm glad that people have mentioned, as Mayor McRae did, the SDLAM projects.

We as a community, and as basin communities, see that the failure of Commonwealth and States to deliver on the Basin Plan has meant that we, as localised communities, pay the price for that through water buybacks. We have not been involved in these projects; we have not been at the decision-making of these projects. Yet when those projects are not delivered, due to interjurisdictional politics and bureaucratic politics, that means we're the ones who have to come up with the price. As an organisation, the Murray-Darling Association thinks that councils and local government, who are on ground, along with other stakeholders, should be the first point.

We know that under the Constitution we don't have a voice at the table, but we need a seat at the table when decisions are being made about our communities and when projects are being initiated through our communities. Some of the failures of these projects have been because of intergovernmental or State arguments with the Commonwealth and between different State agencies within New South Wales. You would be aware that there are at least three or four government bureaucracies that have responsibility for water. Do you think it's possible for councils to be included in that? They can't because they can't even make decisions within themselves. I want to set the tone of what our perspective will be.

**The CHAIR:** We will now move to questions from the Committee. Before we begin the questions, I inform the witnesses that they may wish to take a question on notice and provide the Committee with an answer in writing. I will ask the first question. It is a similar question I've asked almost every group we've spoken to. Can you talk about some of the cumulative impacts over a period of policy decisions, previous buybacks and, I suppose, rules-based recovery of water that we seem to be seeing around the State in our different systems?

**DOUG CURRAN:** I might start. When the 2012 plan was released and we had the now infamous book-burning here in Griffith, it was the start of a decade of decline. That decline wasn't only economic; it was also our population. The loss of confidence and the loss of investment is seen in every report, whether that is

ABARES', whether it's annual GDP output, our population growth—all of those declined in those 10 years preceding that.

It is unequivocal that it took us that decade to recover. We're now on a much better path. Once again, we face the prospects of further water buybacks, which erode that confidence, remove that investment and have a long-term negative impact on not only our city but, as the previous speakers have said, on our region and on New South Wales. It is really important. The data is there and it's unequivocal that we saw a downturn with the introduction of the Murray-Darling Basin Plan and water buybacks that were at the head of that. That's where we're at today.

**BRETT STONESTREET:** I might just follow up on Mayor Curran's comments about the effect on confidence in our community and just give you a couple of figures in regard to that. The department of planning in New South Wales back in 2014, shortly after round one of the buybacks, published an interim set of population projections for the Griffith local government area over the next 15 years. At that time those interim population projections were at negative 20 per cent—a drop in our population projected a negative 20 per cent. Obviously, those projections are read by a lot of people, including investors both at government level and in the private sector. That confidence impact that the mayor mentioned is put out there for all to see when you see minus 20 per cent.

In terms of public sector investment alone, at that time or shortly after that time, Griffith was moving forward in the State budget for a new base hospital, and the clinical services plan was being put together at that point. When we first met with Murrumbidgee Local Health District and New South Wales Health Infrastructure, the best argument we could put forward was a flat-line population at best. We had to lobby very hard to seek to have a 1 per cent year-on-year growth factor allocated to that planning process. It took several years to get there, but we now have a base hospital up on the hill, which has just been opened, and it is based on a 1 per cent growth rate. But it took a lot of years to get that convinced through the system.

Secondly, through education infrastructure, we've had some capital investment by the New South Wales Government with our Murrumbidgee Regional High School's two campuses. Again, when that planning was undertaken, the New South Wales Department of Education said, "You're having a drop in population. You don't need to factor in any growth, and we'll just put a paint job on these schools." Again, it took a long time to get them to change their minds. One further statistic I will mention, which is really sad, is that, following that round one of Murray-Darling Basin buybacks, there was a 20 per cent reduction in the value of residential real estate in Griffith—a 20 per cent cut. That's mums and dads. That's people who have saved all their lives to put together a family home, and they see its value drop 20 per cent. That 20 per cent has largely recovered since then but, again, as the mayor said, it's taken a decade to do it.

**The CHAIR:** Ms Blumer, did you have anything to add?

**SHARI BLUMER:** No, I'll let the councillors answer that.

**Mr STEPHEN BALI:** Addressing your final point, I noticed your total rates and charges are about \$37 million, and you've got about \$30 million in government grants. It's almost 100 per cent. Look at 12,000 people a year moving into Blacktown, and we only get about 25 per cent government grants, so you're not hard done by, I think, overall. We all want more money from the State, and there is limited funding. I am going to take a different tack. Based on all the answers that we've received up to now, the challenge I have seen is the lack of communication and coordination between—or valuing locals, especially, as you said before, local government.

It's also knowing how the whole system works and where the funding is, when the funding is not being announced when they promised. Would you see value if we set up a Murray-Darling river commissioner—someone who takes, from the State's perspective, responsibility to be able to coordinate answers and to cut through the various departments that are involved, whether it's Parliament or whoever? Should we look towards having someone who can coordinate and be the go-to person to ensure that information is being delivered to the community? What do you think about the proposal?

**DOUG CURRAN:** I'd hate to introduce another bureaucracy. As was mentioned by Mayor McRae earlier, we had Minister Moriarty out here in March, and she told us that they would have \$15 million released to the six affected councils or local government areas before the end of June. We haven't heard from them since. It's so disrespectful. The Minister was here with her senior bureaucrats. They made the promises, stood there and lectured us about how we need to get our projects ready and how we needed to be shovel-ready with all of our applications, and we haven't heard a murmur. If a commissioner would improve that, I would have no problem. But if the Minister for Agriculture can't make these things happen, I don't know how a commissioner would do it underneath that. That would be my response.

**BRETT STONESTREET:** Mr Mayor, I will add to that. I certainly agree that adding to the bureaucracy is not going to change the culture of the New South Wales bureaucracy in terms of respecting local decision-making. The department of Premier and Cabinet is a coordinating focus point, certainly through the Riverina and Murray region organisation of councils. We do have a representative from the Premier's office and the Office of Local Government that come to regular meetings. It is the bureaucracy that sits behind all of that where the cultural problem is. It's not a question of adding another officer to the role. It's a matter of the senior leadership taking regional communities seriously.

**SHARI BLUMER:** I would like to add to that. What we have is people meeting with us that don't have any delegation and have no decision-making authority. They will send officers out who, respectfully, do the best thing they can with the information they have. When you're talking about massive projects, for instance the constraints relaxation project—without that we're looking at another 605 gigalitres of recovery at the end of next year. That really needs to be brought into play when we're thinking about why people are so anxious about water buybacks. This potentially under the plan is just the beginning. It is the responsibility of the State governments to deliver, with the Commonwealth, these projects.

These projects are about changing people's properties or changing the river flow. That is not going to happen, and these will not be delivered unless that community engagement or community decision-making—and I think we need to turn it around from a consultation view to, "Before you even start mapping out this business case, have you met with local government?" You don't need to actually create a whole commission. You just need to say, as a part of your internal processes, have you done this? Does your local government organisation know about this project? Have they given you any insight to it? Have they given you a stakeholder list? Especially with controversial projects, people who don't live in the area are terrified of coming out and speaking to us about it because they don't know what our reaction will be.

The reason they don't know what our reaction will be is because they don't live out here, and they don't know the people. One of the excellent things that Barnaby Joyce did was put the Murray-Darling Basin Authority regionally. That is a beginning, but that is just the start of that journey. We really need officers who live in the community and also people who have delegation authority who are making sure that you can't have a project unless you have properly consulted. Local government is always an afterthought. I have never seen, in my experience in the last four years, where a government has come to us and said, "We're thinking of doing this project. It's going to have these implications on your LGA in relation to this. What are your insights?" That will then set the framework of how we consult.

A commissioner would only ensure that that happens if that is already embedded into the practice of the bureaucracy. I want to go back to the fact that if you've got three or four or five—and we bring up Crown Lands as well. They're another huge part of all of this work that is happening. The New South Wales Government holds up these projects for so long going through all of their processes that by the time it gets to us, all these decisions have been taken and the projects are delayed. We're not the ones on the ground that are delaying these projects. It is the other two tiers of government that are delaying them, and yet we're the ones who are paying the price in terms of water buybacks.

**Mr WARREN KIRBY:** I would be interested to see the statistics that you raised then, because I did a quick look and the population has actually increased and the property prices have actually significantly increased over the last 10 years. You've both quoted that they've gone down. I'm interested to see where those numbers came from that you quoted. The question that I've been asking all of the local councils is similar: If the State Government is not able to overturn the buyback scheme, what are the things that we could be doing that would be better at supporting local council? What are the programs that have been put in place that have worked and also those that simply have not?

**DOUG CURRAN:** Yes, I think we've mentioned it—and I don't want to harp on it too much—that there's \$15 million that was allocated in the last financial year that was going to be distributed to communities to try and build economic resilience. None of that money has been released and there has been no further communication. Have those conversations, be honest and say, "This is our plan and this is what we'll deliver on." I'm sure that we'll be contacted in the next fortnight or the next month saying, "We were inundated." We knew that they would be inundated. We warned them that that would be the case.

To Councillor Blumer's point, areas put forward projects and those projects are sat on by government for two years to be reviewed, and then they're sent off to the Federal Government and they're sat on for another two years. So four years down the track when there has been no deliverable outcome, they turn around and say, "We've got to do buybacks now because we weren't able to do anything." But those two levels of government were the roadblock to achieving any potential savings. In our submission, we talked about the huge taxpayer-funded amounts that are being used to buy water that they're trying to put through a system that can't handle it now. The

common sense has gone out the window, and now we're doing it for political votes in areas that are very heavily populated but don't realise where their produce, their milk and their staples come from. It is really disappointing.

It's great to see you all here today, but we need to see action after this. We've sat in front of panels. We've provided submission after submission after submission, and we still see no action on the ground. We're almost at wits' end. To your point earlier, we've had to, as a community, change. We've had to adapt. We've had to use less water. We've had to be better at that. That's not a bad outcome, but there was certainly a decline, and we can show that through the GDP figures. The pricing of housing has gone up astronomically, but it has done that in Australia as well. We're probably behind the eight ball.

**BRETT STONESTREET:** Mr Mayor, I would like to add to that. The Premier of New South Wales made a very positive comment yesterday to the NSW Farmers Association conference. I don't want to misquote the Premier so I'll say a direct quote: "We need to fill the \$40 billion annual export hole with something, and agriculture is one of the ways we will do it." That was a really, really positive comment by the Premier of this State. The world's population is currently 8.2 billion and in the year 2060 it will be 10 billion, and that will be at the point where it can't go any higher because we won't be able to feed the world. It is that growth in global population where Australia's opportunity and New South Wales' opportunity comes, and it's in line with the Premier's comment. We need to be in the business of feeding the world, and the Premier has hit it right on the head.

This region and the Murray-Darling Basin has the opportunity to feed the world if we take a longer term view to water savings, and they need to happen, but take it beyond 2026, which is this deadline date that is being chased down. There needs to be a pause, and we would ask the New South Wales Government to really get proactive and assertive in seeking a pause button. It's not to wipe the savings, no. It's to pause and look at the Premier's vision, look at the world population and the need to feed, and then put some more investment into other opportunities. If there is a cost-benefit analysis done by economists, hard numbers—\$10 billion to buy back water, a one-off cost, but water, 340 gegalitres, is taken out of productive use forever. You apply an economic analysis to the forgone economic output of that, and therefore the taxes on top of that, to governments over generations and then expose those real numbers to the community and then align that with the Premier's statement.

**The CHAIR:** Just so you're aware, Mr Mayor, I've contacted the chief of staff for Minister Moriarty. You'll hear something very soon.

**Mr STEPHEN BALI:** So have I.

**Mr JUSTIN CLANCY:** I just want to go back to Mayor Curran and your initial comments about the mistruths around water, and leading into that, Councillor Blumer, in your submission you talk about water quality, and I just want to focus on that for a moment and, to your point, moving away from a "just add water" mentality. I suppose you want to touch on from your perspective what you're seeing in terms of the local environment and whether it's about more water or, again, how we manage it and looking at water quality.

**DOUG CURRAN:** From a local point of view, we see the river run very high quite often, which has a detrimental effect on the river. It's pulling redgums into the river. And then a month later it's running at minimal capacity, which means that those watering holes are filling up with carp. The water quality from the dam through to South Australia is absolutely—there's nobody that could go along that river at the moment and say it's in good health. That's despite all of the water buybacks and all of the programs that've already been set up. That isn't in spite of local communities making an effort and forgoing income and forgoing confidence. It is not being managed well. It is a mentality of, "We'll do the water buybacks because they will get us kudos in the community, and then we'll try and see what we can do to deliver it."

We know that there are constraints to the Barmah Choke. There are constraints all the way through the system. None of those are being addressed. There's just an approach of, "We will buy the water back and we will try to figure out how we'll make that happen." To the general manager's point, why is this deadline of 2026 so important? It's important because there's a political agenda. There's not an environmental agenda here. We've got time to do this and do it properly. If we just go out and buy another 450 gegalitres of water, that won't improve the river system. That won't improve the algal bloom that is happening in South Australia at the moment. That will be blamed on communities upstream, when we're the one forgoing that confidence and that investment.

**SHARI BLUMER:** To add to that, speaking of water quality—to touch on the point of water buybacks don't actually create better environmental outcomes in the long-term; they might in the short term, and rhetorically. But these projects that are being considered—which are the 450 and the 605—are meant to recover over 1,000 gegalitres for the environment, and that's on an ongoing manner. Water buybacks don't improve the river system. That money should be spent on these projects which are considered under the Basin Plan. But we need more time, and States need more time. But our communities need to know that, at any point, someone is not going

to tear the consumptive water out in order to fit a political gain, not knowing that those are actually going to improve our river system.

Going back to water quality—and I'll wear another hat then; I'll go to the national president—we just had a board meeting of all of our regions on Monday, where we discussed what our priorities would be moving into the next year. There's been a lot of discussion about water quality and carp control—the National Carp Control Plan. Our board was very aligned, from South Australia to Queensland, which was: How will we get that carp control plan engaged with by government and a decision made about the implementation? From South Australia to Queensland, we all agree that the improvement of water quality through implementation of the carp control plan, which will require local government engagement—it's not really something that State and Federal can do on their own. They need us—our local councils, our local land councils, our local fishing groups—all to work together. That will not be delivered without local government.

Carp and the effect that they are having on our river system is something that all sides of politics can get behind. If you look at the quality of the water—we had a new term of council so we went and looked at our water treatment plant—the water that's coming in is of a terrible quality. The amount of money that it costs in order to improve that and the amount of effort and energy that goes into fixing that water quality, when we have opportunities with which to reduce carp possibly from 40 to 60 per cent, or 60 to 80 per cent in less vulnerable areas—I think water quality definitely needs to be considered.

I know that under the Basin Plan review they are going to consider water quality. When you're doing water buybacks and you're taking them out of the consumptive pool, that's not just for the environment; that's people's drinking water. That's something that people really need to understand. When were humans' drinking water needs not a massive priority? For some of our smaller towns across the basin, when there's a drought, the water quality for those people living in those towns becomes less than ideal. People have to ship water in—in this country. When we're talking about the consumptive pool, we're not just talking about irrigation. We're talking about people and their drinking water. Water quality definitely should be something that is considered. I don't think water buybacks are going to help water quality.

**Ms CHARISHMA KALIYANDA:** You've mentioned the economic supports and impacts on the community. Based on your experience in terms of community assistance programs and the needs that are required to maybe improve the role that agriculture has in filling our trade deficit, what do you see as working well, what have you found hasn't worked well and what could be some guiding principles for the State Government going forward?

**BRETT STONESTREET:** First of all, I will say that I don't want to be on the negative but the reality of it is that \$300 million basin-wide is tokenistic. It is nowhere near enough. It is a tokenistic amount—\$160 million to New South Wales. As I was saying, the economic loss of water buybacks is in many billions. I'm not an economist but if that analysis was done, I could see what it would be. Essentially, the \$300 million and the \$160 million for New South Wales is a signal from the Federal Government that we've done something. That's all that is. What should that focus on? They're talking about the connection with jobs and I think previous speakers have mentioned that. It's really important that as those funds are rolled out, there is a connection with sustainable job growth or maintaining communities and not necessarily community-based infrastructure. We've got to look at that focus for those funds.

**Mr STEPHEN BALI:** What would be the top one or two ways of improving the health system of the water, apart from the carp, which is a point that we've heard about loud and clear? What else could we do to improve, first, the water quality and, second, the movement of water through the system so that it flushes out and works?

**DOUG CURRAN:** I appreciate that you said "aside from the carp" but the carp are the biggest factor.

**Mr STEPHEN BALI:** Just to explore that a bit further, for us from Western Sydney, there are carp issues all over our area.

**DOUG CURRAN:** We can provide you some if you need them.

**Mr STEPHEN BALI:** I was about to say we can send some of our people to fish them out, if you want. They can go into our local ponds.

**DOUG CURRAN:** Please do.

**The CHAIR:** If we remove the carp, the native vegetation comes back. The bank erosion—

**Mr STEPHEN BALI:** Yes, the impact. Would that substantially improve the water quality?

**DOUG CURRAN:** More than substantially. I believe that the biggest factor with the health of the river system now is not the flows; it is the lack of addressing this carp issue. In 2022 they agreed on the herpes virus. We're in 2025 and nothing has been done. They haven't moved forward with it and they haven't knocked it on the head to go with another plan. The Federal Government have sat on their hands for three years and done no improvements at all. They haven't said that they're going to move forward with the virus, but they haven't said, "No, we're not going to, and we're going to look at another way of addressing it." If we can remove the carp, we improve the health of the system and keep the water flowing at a consistent rate.

Anecdotally, from a local point of view, we can go out to Darlington Point where the Murrumbidgee River runs through our area, and it will be running a banker—absolutely as much water as they can get through there. A month later, you can see the bottom of the river. That is not healthy on a river system. There have to be consistent approaches to getting this water through the system, if that's what they want to do. When we have a flooding event, that water will run through—as it should. That's what a river does. But none of that water is accounted for, so none of the communities that would have potentially seen that water have any positive impact. The water goes through to the other end of the system and then they still try to push more water through the system because they own the water. That's madness. Why push more water through a system that has already been flushed and where the water is at the other end? Yet they say, "Because we own the water, we need to push it through the system." They're doubling down in a flood time and then, in drought times, we still see water running through there at bankers. It lacks common sense.

**Mr STEPHEN BALI:** The Murray cod farming—is that in your area or a bit further down?

**DOUG CURRAN:** Absolutely. Aquana is one of our most successful businesses that's come up in the last decade. It's one of those ones that we turned around and said, "What can we do?" It does rely on water, but much less reliant than maybe some other crops that do it. Absolutely, some of those cods are released into the system. But if you release cod into a heavy, dense carp system, they cannot survive. As much as we release them in there to try and combat it, the carp—at the number that they're at—are absolutely constraining any ability for us to clean up that river system.

**Mr STEPHEN BALI:** I was more looking at the industry itself, because I don't think they put a submission in. We've reached out to them. How are they affected by—I suppose they're actually in the water system, so they're not affected by the buyback.

**DOUG CURRAN:** They're farmed. They're on farms. They're separate to the river system. They import the water, they clean the water up and then they release the hatchlings in there. They grow those over a period of time and then they process the fish. They're separate to the river system, but they do rely on water coming through the river system. When they do take a crop out—for lack of a better term—they then need to refill that water and start again. Less impacted—but, again, they've been able to have these water bodies with healthy fish in it but, as a State and Federal government, we haven't been able to do the same with our river system.

**SHARI BLUMER:** Can I add to that? The carp containment, the implementation, that's going to take 10 years. It needs to be a staged approach. The water quality increases will not be seen straightaway. I think this is where we are at when we're talking about improvements to the environment and water quality. Water buybacks don't fix those things. What it takes is government actually, first, starting to—in 2022, the carp control plan was released. It said this is a responsibility for government decision-makers to make a decision. Councils aren't at the table at that; that's State and Federal. You need to actually use your political will to lobby for that.

But it's the same with these projects. When we talk about environmental water and taking opportunities to best use environmental water, that's what the SDLAM projects are meant to do. But if they're not funded and if they're not delivered, then those benefits will not be realised. So, realistically, if you want to genuinely see improved environmental outcomes and strong communities, you should fund the projects, get them delivered, take the time that there needs to be so that they get delivered properly and with proper community engagement, and then look at how you should best recover water.

But you cannot make a decision about water recovery, which is being made now and has already been taken, and possibly will be made at the end of 2026, if these projects—which were considered during COVID, so there must be a three-year allowance for COVID and floods. You can't just run water projects if there are floods. It's the same issues that anyone has in infrastructure projects. If you can't get out onto country, you can't actually deliver these things. Same with during COVID—people couldn't actually deliver these projects or do the work they needed to do. We're asking for you to use your political will and authority within New South Wales to say please get this done but also to advocate to the Commonwealth that decisions should not be taken until these projects are able to be realised.

**The CHAIR:** Thank you very much. I'm conscious of the time. If any members have any other questions, they can be submitted as supplementary questions. Again, thank you all for appearing before the Committee today. You'll each be provided with a copy of the transcript of today's proceedings for corrections. Committee staff will also email any questions taken on notice and any supplementary questions from the Committee. We kindly ask that you return your answers within seven business days of receiving those questions.

**(The witnesses withdrew.)**

**(Short adjournment)**

**DAVID FARLEY**, Executive Chairman, Matrix Commodities Pty Ltd, affirmed and examined

**DARREN DE BORTOLI**, Managing Director, De Bortoli Wines Pty Limited, sworn and examined

**JUSTIN SUTHERLAND**, Non-Executive Member Director, Coleambally Branch, Ricegrowers' Association of Australia, affirmed and examined

**The CHAIR:** Members of the gallery, if you need to have a discussion, please make your way outside so that there are no extra voices coming through the audio. That would be great. Also, can you make sure your mobile phones are on silent or switched off. During the proceedings, the only persons authorised to capture video or images are the secretariat, Parliament staff and authorised media. Please do not take any photos or videos. If you need to get a photo, please speak to the secretariat and they'll be happy to share some images with you.

I welcome our next witnesses. Thank you all for appearing before the Committee today to give evidence. Please note that Committee staff will be taking photos and videos during the hearing. The photos and videos may be used for social media and public engagement purposes on the Legislative Assembly's social media pages, websites and public communication materials. Please inform the Committee staff if you object to having photos and videos taken. Can you each please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

**DAVID FARLEY:** Yes, I can.

**DARREN DE BORTOLI:** Yes.

**JUSTIN SUTHERLAND:** Yes, I can.

**The CHAIR:** Do any of you have any questions about this information?

**DAVID FARLEY:** No questions.

**DARREN DE BORTOLI:** No questions.

**JUSTIN SUTHERLAND:** No.

**The CHAIR:** Would anyone like to make a short opening statement before we begin? In the interests of time, I do ask that each opening statement is limited to 90 seconds. If you go too much beyond that, I will pull you up. Who would like to make an opening statement?

**DAVID FARLEY:** I'll lead, Chair. I appear here today as a concerned Australian, as an agribusiness investor and an agriculturalist. Thank you for the opportunity to appear here today to address not only an issue that is of great concern at a regional level, but it should be of a greater concern within our metroplex and our great urban population. Australia cannot afford or continue to entertain to operate the MDBA plan, as drafted, into Australian legislation. At the core of our cost-of-living crisis in Australia, the MDBA plan sits, quite clearly, as a poster child of poor policy, reactionary highly politicised policy and, when needed and when desired, weaponised policy.

We have a nation that is a debtor nation; we borrow money. But here we are using debt to buy back income-producing water assets. We're using debt to reduce the Australian food security to all Australians. We're using debt to increase the cost of food to all Australians, and food affordability. We're using debt to increase the carbon footprint by replacing our productive capacity with imported foods, so the carbon footprint of the Australian food supply system is going in reverse to how we'd like it to do into achieving net zero. The investment thesis is flawed. It's upside down. We should be investing in assets to put water security and water affordability around the nation as opposed to taking it around it. The MDBA plan must be stopped. It must be reviewed, audited and made future-fit for 2025 and beyond, for not only the current Australians but the future of all Australians.

To date, of the \$13 billion program, we've spent roughly \$10 billion of that. When you look at the spend of the \$10 billion in water entitlement purchases, it's only circa 30 per cent. The rest has gone into community, compliance, ecosystems and infrastructure. If we use the Australian revolving 10-year bond rate of 4.3 per cent, at the moment just servicing the debt on the current position is costing every citizen A\$21.50 out of their pocket. In other words, to service debt on the Murray-Darling Basin—that's just to service debt, not pay it back—each citizen is spending \$21.50. That's before the cost of lost employment, lost GST and lost revenue from the taxation base. The investment thesis is upside down.

To move on, we operate and live in a nation that drought is synonymous—it's in our poetry, it's in our history and it's actually tattooed into our DNA. Of the last 125 years, 30 per cent of those years have been in drought. Those droughts are significant enough that we give them names. We've had the Federation drought. We had the extended drought from 1911 to 1916. We had the World War II drought that ran for nine years from

1937 to 1946. We had the eastern Australian drought from 1979 to 1983, for four years, and of course we've had our millennium drought, which isn't our most recent—it was one in the past—that ran for 12 years in total, with only one season being an average season, being 1998.

**The CHAIR:** Mr Farley, can I just butt in quickly: Have you got much more to go in your opening statement?

**DAVID FARLEY:** No, I haven't. I'm just about to wrap up.

**The CHAIR:** Great. Thank you.

**DAVID FARLEY:** Then of course we had the recent droughts—our bushfire droughts, which were spoken about earlier. Each one of those periods of drought averaged six years. In that period of time since we've introduced the Murray-Darling Basin Plan, we've grown our population from 23 million to 27.5 million. We're growing it at 26.8 per cent per annum at the moment, compounding, with a target in the next two decades we'll be at 45 million people, 60 per cent from immigration, 40 per cent from natural increase, the majority of the natural increase coming from new immigrant mothers.

In that same period of time, we've grown our cattle on feed herd from 700,000 in 2010 to 1.6 million today, consuming 11 million tonnes of carbohydrate grain that we have to grow ourselves. Our chicken processing has gone from 500 million in 2010 to 1.5 billion birds.<sup>1</sup> Our pig processing has gone from five million to six million and it is only being constrained by international trade relations and agreements we've got. And we've reduced our dairy herd over that period of time. So not only do we have a food crisis at the retail level but we've got one in the vertically integrated industries we've added. In the millennial drought, we imported 11 million tonnes of grain to meet our demand. If we went into a similar drought period now, not only would we not be able to meet our demand; we would collapse industries.

A few kilometres south of here, there's 960 employees working in a chicken processing plant. Go beyond that, there's another 620 in a feedlot and abattoir operation. In the Murray-Darling Basin on its own, there is roughly just short of one million employees in value-added agriculture. Collapse agriculture, which we will lose during the periods of drought—history has shown that we do—we'll collapse our economy. I go back to those employees. At Baiada today, there are 52 languages being spoken in that plant. They can't go and become urban workers—they're skilled—for that period of time. So not only have we got a cost-of-living crisis; we're on the cusp of a social problem as we enter the next period of drought, and we will go back into drought. Thank you.

**The CHAIR:** Would anyone else like to make a short opening statement?

**DARREN DE BORTOLI:** Yes.

**The CHAIR:** If we can keep it to 90 seconds, that will be great.

**DARREN DE BORTOLI:** Yes, I will. I am on the Murray-Darling Basin Authority consultative committee and also on the NSW Farmers Water Taskforce. I have been, like David, very actively involved in the water space publicly since 2012 when I publicly—I wouldn't say "attacked"—yes, I attacked the then Wilderness Society for the silly comments they made in the local paper, which was then followed up in *The Sydney Morning Herald*. The article was retracted, so I assumed at the time they worked out I was correct. I've been involved in this water debate since probably in earnest since 2011, publicly in February 2012.

It is, without doubt, the greatest social, economic and environmental disaster in Australia. I cannot think of anything that is worse than this. What it requires—it requires South Australia incorporated to be acting as one State, and they've done a bloody good job of it! What we have is a very good paper from June 2000 that the Murray-Darling Basin Authority commissioned—put out a good paper. Basically, it's an argument to get rid of the barrages. Those barrages are an environmental disaster and this confirms that they've got to go, but there's a problem with that. Once you remove the barrages, Lake Albert, the smaller lake to the south, becomes a disaster because Lake Albert never got its water from the Murray-Darling Basin. It got its water from a completely different water source, which was the south-east wetlands, which flowed into the Coorong and into the Lower Lakes from the south.

That explains all the science, and that explains how the CSIRO in 2020 stuffed up the science, because the lead author in that, Dr Francis Chiew, was not aware of the role of 44 per cent of the wetlands in the south-east of South Australia—44 per cent pre-European. By the '70s we were down to 6 per cent. We're now down to

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<sup>1</sup> The Committee received correspondence from David Farley, providing corrections to the data, which is published on the Committee's [webpage](#).

2 per cent—completely unaware of it. All of that water, as surface flows, was flowing northward into the Coorong and into the Lower Lakes from the south. That explains why South Australians refused to accept the findings of the 1902 royal commission complaining about the Lower Lakes becoming increasingly saline, because it was what South Australia was doing that was causing the problem, not what was happening down in the Murray-Darling Basin. The 1902 royal commission basically pointed out that the riverboat trade could operate for six to seven months of the year because they needed at least a draw of 1.2 metres, which means for five to six months of the year the riverboat trade could not operate along the Murray River because the water levels were less.

It's not rocket science to know what the Murray River was like in the middle of a drought. It's no different to all of our rivers that discharge into lakes at the end of them, and there's plenty of them around Australia. The mouth usually blocks up over the summer period, and fresh flows coming down push it open. But the Murray-Darling Basin system was very different. We had the southern system Murray River. We had the Darling River in the north, which was partly reliant on the wet season that helped flows, particularly the big flows in the flood years. And we had this most important aquifer system called the south-east unconfined aquifer that was consistently supplying water into the Coorong and into the Lower Lakes from the south. That is the reason why the South Australians could not grasp that it was what they were doing, because what they were doing further back was impacting those flows into the Lower Lakes.

In 1904, by the way, the farmers down around the Lower Lakes to the south had to sink bores. They had to sink wells for the very first time because the salinity was increasingly killing the reeds, killing the gum trees and killing the willow trees around Lake Albert. The only explanation for that is that they finally stuffed up those surface flows, and that was by 1904. In 1840 a government survey of the area talked about permanent native dwellings with no need for native wells because water was available at a trifling depth. This is all in the historical record. I cannot believe that people like Dr Kerri Muller, in her paper with Terry Sim, talk about the historical nature of the Lower Lakes being fresh water. Yes, Lake Albert was definitely fresh water and, when you consider Lake Albert was predominantly fresh water, from the historical record, then you understand that the flows from Lake Albert into Lake Alexandrina had to be significant, even in drought years, as shown by Charles Bonney when he drove some cattle through the south-east rather than following the Murray-Darling Basin during a drought.

He came up through the south-east, and he talks about Lake Albert being brackish but drinkable fresh water with reeds and discharging into Lake Alexandrina through a narrow creek. When they built the barrages, they elevated the water levels by 0.75 metres. At its natural estuarine depth, Lake Albert is only 0.95 metres deep. It is nothing. Lake Alexandrina, which is the main lake the Murray River discharges into and where the Murray mouth is—it's average depth is only two metres. When they built the barrages, they elevated the water level 2.75 metres. That's how they destroyed the Lower Lakes. That's it.

**The CHAIR:** Mr De Bortoli, do you have much to go, or are you almost done?

**DARREN DE BORTOLI:** I think I'm done. I've got my point across.

**The CHAIR:** I think you've got a lot more.

**DARREN DE BORTOLI:** I can talk. I can verify everything I've said. I've got documents verifying everything I've said.

**The CHAIR:** I understand that. We're just making sure we get time for questions from the Committee to the witnesses, that's all.

**JUSTIN SUTHERLAND:** Thanks, Chair and Committee, for coming out here to the regions. It's something that was certainly lacking in the lead-up to the water amendment Act from the Federal Government, so it's good to see. But I am calling on both Federal and State governments to suspend further water buybacks until we fully understand the socio-economic impacts of the approximately 132 gigalitres already recovered since the water amendment Act was introduced. I probably also state that any socio-economic evaluation shouldn't be basin-wide; it needs to be either industry specific or place specific.

**The CHAIR:** Before we begin the questions, I wish to inform the witnesses that they may wish to take a question on notice and provide the Committee with an answer in writing. You're more than welcome to do that. I'll ask the first question. It's a similar question that I put to everyone. I'm interested in your understanding of the cumulative impacts of water policy changes at a State and Federal level over the last six to 10 years, and what impact that has had on communities—socio-economic impacts, environmental impacts, impacts on agriculture et cetera. Anyone is welcome to respond to that.

**DAVID FARLEY:** It has heightened the social and commercial risk within the communities. The communities have been heavily invested, especially with value-adding. They have been welcoming many immigrants—new immigrants in particular—to the area. The Murray-Darling systems haven't addressed sustainability of commerce and community and social structure in their own right. Some of the smaller townships in the community have definitely been rationalised in size and in services. The larger ones have been more centralised and performed well. When I say larger ones, I reference Dubbo, Wagga Wagga, Griffith et cetera, but the smaller ones have been rationalised.

The economic impact there has both been social and personal-value wealth. Housing values did not track Australia. In the urban area of growth, they have fallen. Trying to get government services in those areas now—the debate has always depended on what the Murray-Darling Basin Plan does. Why should we be giving you more police and more health in the smaller areas? When you go to banking, we've got two-tier banking. Major banks have retracted themselves from the small townships. It's the smaller tier banks that go and finance the residential if they can get financing on it. It has had more of a social impact on people directly than ever before. It's been massive.

**JUSTIN SUTHERLAND:** I'll just say that it's been nearly death by a thousand cuts. It's been a slow progression—just a cut here, a cut there and a cut there—especially on the general security licence side of things and annual cropping. It's lost confidence going forward. The price volatility now is absolutely astronomical. This year alone we're at \$300 a meg, and we're at 9 per cent. We wouldn't have seen that 20 years ago, that's for sure.

**Mr JUSTIN CLANCY:** My question is to Mr Sutherland. In your submission, you speak about the erosion of entitlement reliability. I would like for you to elaborate on it a bit more for the Committee. What do you see as the causes for that erosion of entitlement reliability, and what impact is that having on your industry?

**JUSTIN SUTHERLAND:** There are many things that lead up to that. Some of the small things are small changes to water sharing plans that affect our reliability going forward. It affects when announcements are made and how much allocation can be announced. That especially affects years like what we're having now. We're at 9 per cent now. Historically we wouldn't have started with such a small account. That is one of the effects, and that just knocks on. We're planning now for this year's summer crop. Do I grow a summer crop this year at the prices we're at now and the allocation we're at now? Probably not. If that allocation could come forward earlier, then we can have confidence going forward.

**Mr JUSTIN CLANCY:** Around that decision around your cropping for this year, you might get to a point where you decide to increase the amount of fallow—as in not putting a crop in—or sell what entitlement you have and step away for the season?

**JUSTIN SUTHERLAND:** Yes, definitely. At \$300 a meg, I can sell my water and do nothing all summer and have a fallow. All of that flow-on money that is generated through the community—I don't buy a new tractor. I don't supply into the SunRice facility anymore, so they've got stranded assets. The irrigation systems are where I am. They need money to upgrade their structures, but we're not using water through them. That water is just put somewhere else, and it is not going through the community anymore.

**Mr STEPHEN BALI:** To build on that—and I suppose this is to Darren—from your perspective of your farming, the fluctuation in the water price et cetera, how does that impact on your wine producing? More importantly, which one's better, Willowglen, Sacred Hill or Legacy for the sauvignon blanc? I'm a big white fan.

**DARREN DE BORTOLI:** They're all good. Without water, obviously it not only impacts grapes. At the moment, the wine industry is in a bit of a mess, and a bit of it's COVID related. Certainly growers are looking at selling water, and I suppose this is a fantastic opportunity for them to exit. The problem is that the long-term damage it will do to communities is enormous. One of the figures in the early days of the economic ramifications said that after six to seven years, the economic decline of some of these towns becomes irreversible. We're talking about the gutting out of towns because of corrupt, fraudulent, incompetent and ignorant science, and history.

**Mr WARREN KIRBY:** I have a question particularly for Mr Sutherland and Mr De Bortoli. We've heard from other witnesses about improvements to reduce the amount of water usage and yields that are being taken up, but it's a little bit unclear as to whether that knowledge and technology is being shared amongst other growers and producers. Is there a system within your industries where there is that kind of knowledge sharing going on or is that considered to be proprietary information that is held by individual companies?

**DARREN DE BORTOLI:** Probably the single biggest environmental outcome was putting a price on water because it forced farmers to use water efficiently. They couldn't afford to waste it. Therefore, there was no water flowing from farming activities going into the river system high in nutrients, which is the other fallacy. A lot of the nutrient loading, particularly coming out of European studies, is showing it is town and city discharges into the waterways that are the biggest problem. That is from recent European studies.

Our understanding of water quality, besides the turbidity and that, is best described as primitive. We're not aware of the nutrient loading, particularly tertiary treated water coming out of sewerage works, which is still high in nitrogen and phosphate. They are also high in hormones, which are disrupters of fish-breeding cycles as well. My argument is the money should have always been spent getting town discharges out of the system, setting up rural wetlands, giving it to farmers to use productively but getting it out of the system. We've adopted this flushing toilet approach to water management of the Murray-Darling Basin, which was always crazy. The way I've always seen it, a well-managed system can return 3,000 gigalitres in most years to productive use and still tick all the boxes.

When I was on the New South Wales taskforce, one of the bureaucrats was talking about, "We have to have this flooding down the Murrumbidgee River because of native species decline." She was completely unaware of a little fish introduced in 1925 called the mosquitofish, or eastern gambusia. It's an exceptionally aggressive fish; it's like a little piranha. They are responsible for the decline of 13 native fish species and 15 native frog species. How many people do you think are aware of that? If they are aware of it, I can tell you the main reason is because of me.

**Mr STEPHEN BALI:** Are they still present in the water?

**DARREN DE BORTOLI:** Yes, big time. They dominate all the waterways. You can go to any channel around here and have a look at the little fish swimming around, and that's the mosquitofish. Did they make a mistake all those years ago? David—we were talking about that earlier on about all the natural state of our system, which was billabongs all full of water infested with mosquitos in summer. The Murray-Darling Basin in a lot of ways would have been a hellhole before air conditioners and everything else, and we drained the land. But in summer it would've been atrocious and the mosquitos would have been horrific.

**Mr WARREN KIRBY:** I appreciate that. The question was actually about farming techniques and improvements to yield versus input—

**DARREN DE BORTOLI:** I think it has improved dramatically because of the price of water. The single biggest outcome of putting a price on water has been not wasting it. We had problems in the early days with watertables and all that. That has largely been rectified. In this area, our water management is critical because we can't simply discharge our saline groundwater back into the river system like everyone else. We have to live with the consequences. Do we use water efficiently in this area? Yes, we do, and I think we have to. We've certainly been leading the way in terms of reducing water use in crops like, for example, rice or grapes or whatever. We've been leading the way in that area, particularly with drip irrigation et cetera.

**DAVID FARLEY:** The Australian irrigator is extremely efficient, he's extremely conversant and he reaches well beyond the shores of Australia to get his knowledge. A lot of the drip irrigation systems came from the kibbutzes, out of Israel. California, Arizona and south-west Texas are often visited by many Australian farmers and the share of information and technology—there doesn't seem to be any boundaries or borders in it at all. There's a thirst for it to improve it.

**JUSTIN SUTHERLAND:** In the rice industry, we use 50 per cent less water than the world average, so we're punching above our weight. We're always trying to proceed better. Most of the projects through AgriFutures which come through the rice industry focus on water use.

**Mr WARREN KIRBY:** Chair, if I may follow that up. Are you being assisted by government agencies in improving that? I know that within the cotton industry for every bale that is created, there's an amount of money that is passed over to CSIRO for them to add technological advancements beyond to help the whole industry. Is that happening within your industry?

**JUSTIN SUTHERLAND:** Yes, it definitely is. Even inside the Murrumbidgee valley as well, we've got the Irrigation Research and Extension Committee. They work across not just rice; they'll work across all commodities that are irrigated in the Murrumbidgee.

**Ms CHARISHMA KALIYANDA:** Thank you all for taking the time to appear before us this morning. We've heard testimony previously around one of the issues being competing interests, whether it's between industries, between jurisdictions, between levels of government. Are you able to point to any initiatives at an industry level being done to bridge that gap and get people, whether it's producers from different types of industries, on the same page in terms of what needs to be done and what the prioritisation of actions needs to be?

**DAVID FARLEY:** The presentations before by the Shires Association, by RAMJO, by Leeton and Griffith—collectively all those groups, in 2023, backed a program to do a preliminary research feasibility on an area called Lake Coolah. There is an off-river storage for the Murrumbidgee, and Lake Coolah is just north-east of Narrandera. In 2023 unanimously all of those organisations backed it. In 2024 we went back to them again and

they backed it again. The Narrandera Shire Council invested circa \$50,000 in an application for circa \$1 million to do the preliminary project; it wasn't successful. Private entities around the table here got together and raised the next lot of capital and went to the national water grid to raise money for the feasibility; it didn't reach the criteria.

What we found out of it, though, when we were discussing either with our water representatives—our Farrer representative at the Federal level, our local representatives of Murray and Cootamundra et cetera—was that we weren't getting the support we needed to prosecute the case. If we could, the investment in Coolah, which has been designed and built since 1930—in 1980 Barnaby Joyce was going to build it—is probably the lowest, most efficient form of water storage in the lower southern Murray-Darling Basin. It will address, apart from the issues of turbidity, the reliability of water and ordering of water that's there. What we're finding is that it falls upon deaf ears all the time. It's fallen upon deaf ears because people refer to history. Since 1980—the last time it was seriously looked at—history's changed. We've got the Murray-Darling Basin Plan, we've got the lidar survey, we've got solar pumping, we've got battery storage, we've got water trading—the whole lot. The economics of it, when you look through the lens of the technologies available in the markets we trade in today, is quite impressive. But can we get our local representatives to be engaged in it? No. It's a failing of democracy at the third level, at the local government level. It's not their failing; it's the failure of the ones above it to listen.

**DARREN DE BORTOLI:** Can I just add that Lake Coolah is a 450-gigalitre solution, potentially up to 600 gigalitres. That 450 gigalitres means 900 gigalitres as a storage solution. Why? Because you fill it up at the end of the season—end of winter—when the demand on the system is not great. So you can push the water down the river and fill up Lake Coolah. Then that allows Burrinjuck to have 500 or 450 gigalitres of additional capacity, which can then be filled up. We have a real problem: When you understand the facts and figures like we do, we have a complete lack of common sense in terms of water management in Australia. With a bit of common sense, we can tick all the boxes and achieve a lot of goals at the same time. Lake Coolah is just brilliant. Our local member, the Leader of the Opposition, Liberal, is completely useless—so useless, in fact, that I've committed myself to stand against her at the next election if she's still there. Then we have Labor who are very belligerent. Hopefully, Murray Watt can fix it. Then we have The Nationals who are toeing the line federally with what the Liberals say. The Liberals are all worried about votes in South Australia. Those votes only exist while the politics are there, and the politics only exist while the lies are in place. This whole thing is dysfunctional.

**Mr WARREN KIRBY:** There is one question that I've been asking councils. There have been programs that have been put into the local community. Some have worked; some haven't worked. In your opinion, what should the State Government in particular be doing to support industry to mitigate the buyback scheme?

**JUSTIN SUTHERLAND:** The best thing to do is not have buybacks and let us grow crops.

**Mr WARREN KIRBY:** I understand, at a State level. It's a Federal level decision that has been made and of course we can lobby the Federal Government but, ultimately, we can't force a change in that decision. If that is not something that we are able to achieve, what could we be doing as a State Government that would be better supportive of the local area to improve the programs that have been rolled out?

**DAVID FARLEY:** We need employment. It's as simple as that. Idle hands decay communities and introduce drugs, vandalism, theft et cetera. We need employment. Our employment was coming from the water that we had there. If we can't get employment from water, we need to get it from other sources. We need to be part of the bigger picture, whether it's recycling, defence et cetera. My career had me involved in water in California and Arizona for many years—over a decade. When we went through water reforms over there, we had to shift industries and shift employment bases to compensate for it but, more importantly, there was how smart we got with water, over there in particular, and how we changed water rules.

In many parts of California, you can't trade water out of the irrigation area. You can only trade within the irrigation area, unless you get community approval for it. What we really need is a greater appreciation of what drives these communities and then a greater respect. As we put our time and our capital into taking ideas to government, we don't like them being dismissed or not even responded to. I think we need a greater commitment to the reality of our lives out here and what we do for the nation. But this now isn't a water issue for the nation. It's a food security issue for the nation and a food affordability one. This is affecting everyone, not just water. It's a food issue.

**DARREN DE BORTOLI:** And a massive environmental issue. When you go through it all and understand it like I do, I cannot comprehend how we've allowed this to happen.

**DAVID FARLEY:** During the Second World War, Australia adopted a strategy with the Americans. It was titled Operation Starvation, over Japan. We did a very effective job of it. We destroyed their agriculture, their supply lines—the whole lot. We watch what is happening in Gaza today. Here we are, sitting here with a growing population, and we're taking away productive resources and we're not complementing it with anything to put in

its place. We're not even complementing it with something we can sell at a later date. At least with tunnels, bridges, poles and wires and things like that, we can sell them on. But if we went and built Lake Coolah, we could sell it on. We could sell the air rights on; we could sell the capacity on the whole lot. But at the moment, we're taking a productive asset, putting it in a non-productive environment, inflating the price of food and reducing the social value of the people living in the regions.

**DARREN DE BORTOLI:** A classic example of when you stuff up the science and everything else—currently, the toxic algal bloom that's occurring off the coast of South Australia is due to an algae called *karenia mikimotoi*, and that requires diluted salinity. That's never mentioned in any of those reports coming out of South Australia. The dilution that's required is only about 10 to 20 per cent. It requires nutrient loading, which happened during the big floods of 2022 and 2023. Those high environmental flows kept on going down the river—they only stopped at around January of this year because they were running out of water in the bloody dam; this is the stupidity—and then they run into this massive algal outbreak disaster in South Australia due to diluted seawater. This is crazy stuff. And they weren't talking about the desalination plant. Desalination plant is increasing salinity; it's actually helping the situation, not causing it.

**JUSTIN SUTHERLAND:** On-farm efficiency—we're already world-class leaders in most of our commodities that we grow. We've already done the heavy lifting there. There are still some little tweaks we can do where we could save a little bit of water. Complementary measures are probably another thing for environmental and the rivers—carp control, riparian zones, pest control, even cold-water pollution outside of the dams. These are all things that need to be addressed before we just add more water.

**Mr JUSTIN CLANCY:** Just briefly, I want to return to Mr Farley's comments about the Californian situation. Mr Farley has raised a couple of times now a question around having a minimum guarantee about level of water within an irrigation area, for example.

**The CHAIR:** Probably a valley.

**Mr JUSTIN CLANCY:** In a valley—and that was your experience of what you saw, the reforms in California?

**DAVID FARLEY:** Yes, and very much hands on, my role in—

**The CHAIR:** We've got about three minutes left in this session, so if you want to provide a more detailed answer, we would welcome a written response as well. But, please, go ahead.

**DAVID FARLEY:** Without doubt, California and Arizona typified how to secure communities that have been established. They did it through water management that's there. I will follow it through and submit some of it. I was involved in a lot of that water trading and their water management, and I'm more than willing to share that with you.

**Mr JUSTIN CLANCY:** Thanks, Mr Farley. I'd welcome, whether it be at a later date—Mr De Bortoli, you touched on that bit about nutrient loading and the whole question around water quality.

**DARREN DE BORTOLI:** Our understanding of water quality is primitive, basic. We're way behind what the Europeans are, and the reality about environmental science—most of it started with Europe. Our understanding of nutrient loading, how tertiary-treated effluent can still be high in nutrients such as phosphates and nitrogen, as well as hormones because of the pill and that. The hormone disruption with native fish is fairly well documented from overseas studies. We're way behind the eight ball in terms of understanding the science in this area, and this is a problem. The understanding is completely wrong. The 2012 Murray-Darling Basin Plan made a number of assumptions all wrong.

They talked about species decline all due to invasive species—nothing to do about water; all about invasive species. Who was protecting it at the time? Because they're the ones controlling cats and foxes. A classic example of decline of turtles on the Murray River was due to predation of foxes on the turtles. Do you think South Australia was mentioned in that when they talked about the decline and extinction of turtles along the Murray River? Of course not. Another example is the plains-wanderer in Victoria, the bird that likes the grasslands. The Victorian Government buys up this agricultural land that has high concentration of these plains-wanderers, not understanding that it's the farmer that was controlling the cats and foxes; that was the reason why there was a high number of these birds on these properties. The understanding of the drivers is appalling in Australia.

**The CHAIR:** Mr De Bortoli, if there's more information you would like to provide, again, we would welcome that on that issue, if you care to write to the Committee.

**DARREN DE BORTOLI:** Yes, I have a number of documents particularly that I could—probably the most intriguing one was a report by Rob England, who was the author of *The Cry of the Coorong*. Rob England

was jumping up and down about the decline of the Coorong since the '60s. He makes an interesting comment about the Cardwell Buckingham report in '83 and how it lied about the science. It was to the extent that, once he pointed out some of the discrepancies, the consulting engineer and the former head of the south-east drainage board resigned from the committee. That then led to the '85 Ramsar listing of the Coorong, saying it got its water from the Murray-Darling Basin and the Lower Lakes—a freshwater lake water system.

Ramsar-listed sites do not have to be natural. I know Professor Max Finlayson, who is on the technical committee of the international Ramsar board. He says these things are not locked in stone. The understanding that our bureaucrats have is it's locked in stone because it's an international agreement. That is crap. This is the sort of very low-intelligence thinking that we are locked with. Ramsar, by the way, was set up by shooters worried about migratory water birds, so they could shoot. The motivation was by shooters, as well as people like—just recently I came across Mr Brinkworth in the south-east of South Australia, the south wetlands, so he could shoot water birds. He was one of the leading lights in terms of some reclamation of all the damage that had been done with all the drainage works.

Next week we're going on a tour down to the south-east. We're going to look at five major drains: the Southend drain at Southend; the Bridgeport drain; the road drain; the Blackford drain; and the Maria Creek drain. These drains are as large as our irrigation canal. That's how big they are, and they're only some of it. All that water used to flow northward. It didn't flow out to sea; it was caught between these old "Coorongs" as the sea retreated half a million years ago. The border was, in fact, with Victoria. That was the beginning of the shoreline, half a million years ago. As the sea retreated and it kept on retreating, it was forming these old wetlands. We know they were all recharged in winter, fully recharged, the multiple rivers, all flowing northward, on basically an unconfined aquifer. The aquifer was always recharged in winter, and we wonder why there's a problem now with the aquifers in the south-east of South Australia.

Look it up on the ABC; it's a disaster. The whole thing is a disaster because we cannot understand, we will not—the South Australians will not acknowledge what they have done to the bloody system. Now, you could say, "Well, we've only supplied half the water that's going down the Murray River." I can tell you what, South Australia would have heart palpitations if you said the same thing about the Coorong flows, because I can tell you now it's impossible for them to deliver it. At the moment, we're taking Murray River water, pushing it into the Coorong in the opposite direction of its historical flows, and that's the whole reason for idiot Professor David Paton trying to say, back in 2011, "We need at least 4,000 gigalitres to send down the system to save the Coorong." It wasn't the Murray-Darling Basin system that was responsible for the decline of the Coorong; it was what South Australia was doing to the south-east's unconfined aquifer.

**DAVID FARLEY:** And the barrages.

**DARREN DE BORTOLI:** And the barrages, yes.

**The CHAIR:** Mr De Bortoli, as we discussed offline, anything you would like to submit for the Committee to consider, we would welcome. I would really appreciate that. But we are out of time for this session. Thank you all for appearing before the Committee today. You'll each be provided with a copy of the transcript of today's proceedings for corrections. Committee staff will also email any questions taken on notice from today and any supplementary questions from the Committee. We kindly ask that you return answers within seven business days of receiving those questions. Thank you all again for your time.

**(The witnesses withdrew.)**

**JOHN NIKOLIC**, President, Griffith Business Chamber, affirmed and examined

**ELIZABETH MEAD**, Secretary, Soroptimist International Griffith Inc., sworn and examined

**The CHAIR:** I welcome our next witnesses. I ask people who have only just come into the room to please ensure that their mobile phones are switched to silent or are turned off. If people need to have a discussion, I ask them to please step out of the gallery to have that discussion. The secretariat will be taking photographs for the Parliament and we have authorised media, but I ask people to not take photographs or videos. If people need a photograph, they should speak to the secretariat, who will make sure they get photos that suit their needs.

I thank both witnesses for appearing before the Committee today to give evidence. Please note that the Committee staff will be taking photos and videos during the hearing. The photos and videos may be used for social media and public engagement purposes on the Legislative Assembly's social media pages, websites and public communication materials. Please inform the Committee staff if you do not wish to have your photo or video taken. Can both witnesses confirm that they both have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

**ELIZABETH MEAD:** Yes, I have.

**JOHN NIKOLIC:** I have.

**The CHAIR:** Do you have any questions about this information?

**ELIZABETH MEAD:** No.

**JOHN NIKOLIC:** No.

**The CHAIR:** Thank you both. Would either of you like to make a short opening statement before we begin the questions? In the interests of time, I ask that each opening statement is limited to 90 seconds. That's important so that we get through the questions. I will police that, if statements go too far.

**JOHN NIKOLIC:** Sure. Thank you, Chair and Committee, for the opportunity and for coming to Griffith for this inquiry. The Griffith Business Chamber is a local advocacy group on behalf of Griffith businesses. We've got about 150 members across the whole spectrum of Griffith businesses. Griffith is an intensely and extraordinarily diverse economy. It's built on agriculture but, as you heard earlier today, what's really astonishing about Griffith's economy is that it adds value to that primary produce. It's really an Australian economic miracle—something that's been asked for throughout regional areas for many years. It's happening here in the MIA and in Griffith.

I think we're the second-largest contributor to the Murray-Darling Basin economically overall and that's for a population of about 25,000. We're well and truly punching above our weight, but we are constrained through constraints against business that are not to do with water. They are to do with workers, housing, the cost of doing of business and the cost of living. But the one thing that we are not expecting to face, but unfortunately are facing, is sovereign risk and that's in the form of water buybacks. Back in 2015 when the last round went through—this is in our submission—there was a marked decrease in house prices as residents left town. It's data that can be sourced from [economy.id](#), but it's about a 30 per cent to 40 per cent decrease in house values. Of course, any recovery after that is coming off a lower base.

We know absolutely and definitely that water buybacks have an impact when they're implemented, but what we see, particularly at the chamber, is diminished confidence. We've got members who are coming to us, particularly in the agribusiness sector, who are saying, "Look, there's government uncertainty around this. We're not sure. They're making it harder and harder for us, particularly in the succession planning space." It means that they're telling their children, "Hey, it's time to get out," or they're getting out themselves before their children have that opportunity. That's what we're really seeing. When the spectre of buybacks is brought up again, it's really rattling business confidence.

Our position is that water buybacks are not a rational way to allocate water. Water should be allocated to those areas that can use it most effectively. You've heard again earlier today that the MIA really is an exemplar in terms of the efficiency with which it uses its water, but we don't want to see water bought back from anywhere. There are alternatives. Again, they've been discussed today, and they are on the table. Those are the SDLAM projects, efficiency projects, removal of constraints, tweaking of rules to make sure that the water can be used more efficiently, and more mid-river storage et cetera. What we would like to see is investment in those alternatives rather than in the zero-sum game of removing water from one particular use and providing it to another. We've got to keep on investing in know-how, expertise and projects rather than just the quick political fix of buying back water.

**ELIZABETH MEAD:** Thank you, Mr Chair and Committee members. Soroptimist International, as a bit of background, is a worldwide organisation of volunteers who work to educate, enable and empower women. Throughout the history of the organisation we've been known for our work both in communities and around the world, and some of these projects have been environmental projects. In fact, the very first soroptimist club was formed in 1921 to save trees. Our Griffith club has 31 members, and one of our local projects now is, again, to do with the environment, this time focusing on managing waste.

I've been here all morning, and most of what I'm going to say has already been said, but I'll just mention this briefly. I mention it in the introduction because we think that, as with so many other issues, there needs to be balance. Yes, water for the environment is important, but water for growing food and fibre is also important. Food security is important. We were advocating for that balance way back in the years before the Murray-Darling Basin Plan came into being. Unlike many of the other organisations and companies represented here today, we are not irrigation farmers and we are not large corporations or providers of irrigation water. We don't have all the facts and figures to do with buybacks, infrastructure projects and how much water they've saved, how much licensed water is not properly accounted for, and the list goes on. But we do live in Griffith and, unlike most other towns in the Riverina which grew to support pastoral industries, Griffith was set up to service an irrigation area. Our whole existence—not just the irrigators but all the supporting industries and the people in the service industries—is based on irrigation.

Water buybacks affect our community. High water prices affect our community. Continued uncertainty affects our community in so many ways. Our adaptive capacity here in Griffith would appear to be extremely limited. It is water we need more than projects to address the lack of water. As we stated in our submission, settlers have been changing the landscape and land use in the Murray-Darling Basin for 200-plus years. The health of rivers and wetlands is important, but those who live and work here right now must also be protected. We don't need more buybacks, especially if there is no longer the requirement that water recovery should have a neutral or positive socio-economic impact. We need to know that all aspects of the Murray-Darling Basin Plan have been monitored, and we need to know that the environment actually needs more water than was originally planned. Between now and when this event was supposed to take place, there was a really interesting article from *The Land* published in *The Area News* on 1 July which was entitled, "Farm gate and beyond: how water buybacks could damage communities". I refer you to that because I thought it was an excellent summary of the reasons that we oppose more water buybacks.

**The CHAIR:** We will now move to questions from the Committee. Before we begin the questions, I wish to inform witnesses that you may wish to take a question on notice and provide the Committee with an answer in writing. I will pose the first question to you, and I am happy for either of you to answer it. It's a very similar question to one I have asked others. In terms of the policy changes that we've seen, whether at a State or Federal level, including the 2023 restoring our rivers Act, what has been the cumulative impact for communities, for industry and for agriculture of these changes over the past, say, six to 10 years, or beyond if you want to go further?

**ELIZABETH MEAD:** Again, everything I say is going to be very general. I just think that lack of confidence and lack of certainty, right from the beginning. One of the things I think of when I talk about that is how difficult it has been for people to sell businesses—even businesses that you know would be a goldmine if you bought them. People aren't prepared to make that investment because everything is so uncertain. The prospect of more water buybacks just adds to that uncertainty. I know it's been mentioned by just about everybody today that it's not just the impact on farmers. It is the impact on the associated industries and just about everybody who lives in a place like Griffith. It's the whole community that is affected by everything. That has had an ongoing cumulative effect from the beginning.

**The CHAIR:** Mr Nikolic, you can answer the same question if you wish.

**JOHN NIKOLIC:** Sure, I'll try and add to that. Certainly we know that the previous round of buybacks had an economic impact and diminished confidence at that time. As I said before, it is again rattling confidence. I reiterate that there certainly are problems, particularly for smaller businesses in town to sell their businesses. That is an enduring issue that we have. I think I would emphasise on a more macro level that, as I said before, water buybacks are not a rational way to allocate water. It really leaves the allocation of water to the caprice of the market and fluctuating economic conditions rather than a rational, thoughtful approach which would say where the areas are that we really need to make sure that we preserve—such as the MIA and other established irrigation areas—so that we can make sure we have affordable, sustainable and secure food production into the future.

That is really what has been put into a wobble because of these comments that come around every 10 years that are threatening to take our lifeblood out of the community. When the water is taken out from productive capacity, that permanently diminishes our capacity overall. That's extremely hard to measure, but it feels, as a

business community, like we've got a foot on our throat in terms of our growth. We really want to flourish. There is so much more growth that could be realised here. This is another act of government intervention that unnecessarily diminishes that growth over time.

**Mr JUSTIN CLANCY:** Both of you have touched on the rattling of business confidence and the uncertainty in that regard. I want to bring that to the personal level, because you are both immersed in your community. You are everyday people. What is the impact of that? When we look back on the first buybacks a decade or more ago, we know of the deep trauma and impact on an individual level. What are you seeing in your community at the moment in that regard?

**JOHN NIKOLIC:** On top of the other stresses for business owners, which I've mentioned before, there is a feeling of profound disconnection from the Federal and State governments to some extent. It's like we're being ignored. What comes with that is a real sense of fatigue. People in the regions generally, and certainly Griffith is no different, are extremely resilient and independent. Ten years after the waters first flowed into the MIA, only 30 per cent of the farmers were still left. It had a very shaky start. Since then, particularly through successive waves of immigration and the competitive spirit that that diversity has brought, it's been turned into this extraordinary success. There is a real sense of pride on the one hand for people in that. There is a sense of disbelief, disconnection and fatigue that there is this program in place that will undermine all of that hard work. I'll leave it there.

**ELIZABETH MEAD:** I was just going to mention—you said "on a personal level". I came here with my family 35 years ago. We were only going to stay three years. I thought, "No, we won't stay here. We'll go somewhere else more interesting." It turned out to be very interesting and a great place to live. I was thinking back to all the discussion about the Murray-Darling Basin Plan before it came in and afterwards. You're thinking, "I've sunk all my money into a house. Do we leave? Do we get out now before it really bites or do we stay?" I know people have said the house prices have gone up again. We've just sold our house this year and moved. We're still in Griffith, though. That's just one person, but that's replicated all over the place, especially by people whose families weren't here to start with. "Is this going to be a good place to stay? Maybe not. Maybe it's time to get out." Again, on a very personal level, one of my next-door neighbours who has—had, I should say, because the business closed on 30 June—an absolutely wonderful business that should have been taken on by somebody. But, again, nobody was prepared to make that commitment. You just keep on adding to that by all the stories that there are.

**Mr WARREN KIRBY:** Ms Mead, you mentioned in your submission about the impacts of European carp on the system. Could you elaborate on that please?

**ELIZABETH MEAD:** I don't know that I can add anything to what was said in the last session or the one before where Shari Blumer was speaking, but I do think when you look at the effect that the carp have had on water turbidity and what has happened to the native plants—they're bottom feeders and they get rid of all the native plants, and that means not only are they stirring up the water themselves but the plants aren't there to filter the water and all the rest of it—it really is an issue that needs to be looked at very seriously. I've done a bit of reading on the virus that might be able to at least get rid of half the carp population. It is always a bit of a risk, but I think the risk is outweighed by what could happen if the water quality was improved.

**The CHAIR:** It's probably the fourth or fifth time that the herpes virus for carp has come up. The next step, if you like, is a landlocked test of the virus down in a Victorian lake. For everyone's information, that is something that's happening.

**ELIZABETH MEAD:** Good.

**Mr STEPHEN BALI:** Thank you for your presentation. I'm just trying to reconcile from what publicly is available versus the information that you're providing about the economy. From 2014 to 2018, when the first buybacks took place, you can see that the economy was kind of stalling here, around \$1.7 billion. But from 2019 to 2024, the economy has actually taken off to be about \$2 billion here in Griffith. The jobs seem to be also interesting in nature—that agriculture, forestry and fishing was the second-largest employer and has dropped down to third place now.

But, essentially, jobs are increasing massively in construction and manufacturing. Would you know where that construction is or what major is being built around here? I'm not too sure, but that has literally gone from 722 jobs to 1,977. I'm just trying to reconcile the—there are less real estate agents and accountants here, but essentially the economy seems to be somewhat slowly but progressively adapting out of agriculture, but you're saying that you're not seeing that. I'm just wondering—there are other alternatives, and it seems to be that Griffith is starting to at least turn around in other areas. The population has stayed steady, if not increasing.

**JOHN NIKOLIC:** That's true. The economy certainly has, we're glad to say, grown since 2020. It has grown about 10 per cent there. The latest data is that it only grew about 1 per cent in 2024. We're not totally sure what the reason for that was. It could have been to do with some of the uncertainty here, but there would be a lot of factors, certainly. But that's what really should be emphasised about Griffith. It's largest sector usually is manufacturing, and that's what makes it really unique. But that manufacturing sector is based on agriculture, whether that's grapes being turned into bottled wine or fruit juice or all the allied engineering services that go along with that.

There's a lot of expert engineering know-how and fabrication that goes on in Griffith. There is biological engineering that goes along as well. There are companies that are creating additives that are in fact exported around the world to create food and beverages. That's where we see a lot of growth. That's all happening notwithstanding the diminished growth and the impact on confidence that happened when the first buybacks went through. I think the other thing is Griffith is extraordinarily competitive. We think we've got a lot more room to grow—and, steadily, we are—but we feel like we're being constrained. We're certainly being constrained in terms of workers and housing. This is a constraint that is entirely of a political making and doesn't need to exist. We're pretty robust and pretty resilient; there are other towns that could, in fact, be wiped out by these buybacks, who don't have as diversified an economy. We also stand with them in opposing water buybacks as well.

**ELIZABETH MEAD:** I think, too, to come back to that point, basically agriculture underpins just about everything that goes on. This is just a personal opinion, but a lot of those things would just fold if the agricultural base wasn't there. Another example would be that, in Griffith, if you go back 15 years or so, I don't think you would've found an empty shopfront in the main street. You'd go to towns where that had happened—not because of the Murray-Darling Basin Plan but for whatever reason—and think, "Oh, those poor towns," but it is definitely happening in Griffith now.

**JOHN NIKOLIC:** I'll just comment as well. In relation to construction, probably that increase was the public hospital.

**The CHAIR:** The other thing that's a correlation is the years of drought—'14 to '19 and then '19 to '24. In '19, the drought broke.

**Mr STEPHEN BALI:** But you're right—just to recap a bit, it's great what you said, that, really, the agriculture is driving the manufacturing and all that stuff. The other thing, I've got to say, is a bonus for Griffith versus a lot of other regional council areas is that you seem to have the youngest population as well. You've got more people in their thirties and mid-twenties, and you're way above the State regional average versus a lot of the other councils I saw, where the population is getting a lot of older. Once again, to keep those people here there needs to be certainty, so it's really important, from our inquiry, to make sure we hopefully get the right answers for you guys.

**Ms CHARISHMA KALIYANDA:** You mentioned some of the diverse industries that we may not necessarily think of when we think of Griffith and the opportunity to transition. What do you think the priority should be—whether it's structural adjustment or whether it's community support funding—in terms of balancing the economic transition that's needed with the environmental needs, as well as the community needs?

**JOHN NIKOLIC:** Overwhelmingly the priority is still absolutely agriculture, and the industry will continue to invest in efficiencies and innovation. I think there is certainly room for support in the manufacturing sector. Something that's been spoken about from time to time is whether or not a centre of excellence for manufacturing could be established in Griffith. That's something that potentially could be looked at in a particular form. For the New South Wales Government, we would submit that your efforts should be directed towards alternatives to water buybacks. We understand that you're not going to be the ultimate decision-makers, given it's a Federal program, but there are alternatives out there. We say this is not necessary. To balance it so that it's not a zero-sum game—in fact, it can be win-win-win for community, the environment and productive capacity—we really need those SDLAM projects to get up. There are a number that have stalled.

We say, first of all, that the New South Wales Government should advocate for the repeal of the mechanism for water buybacks altogether. But, in the alternative, it certainly should be advocating that there should be no water buybacks until all of those alternatives are implemented. We support the New South Wales Government's alternatives to water buybacks plan. One in particular that I wanted to mention was the enhanced environmental water delivery project—the EEWD project. Something that we repeatedly hear from members in the agricultural sector is that when there's an unseasonable rain event, a lot of the water is flowing out to sea, and there's no major adjustment to their allocation because of that. The EEWD project is a way of measuring that unseasonable event so that more of that can be captured for environmental use and made more available than for productive use. If we can measure the water better and if we can remove constraints, then there are ways for us to actually increase the available amount of water, rather than taking it out.

On a micro level, we can't necessarily save 450 gigalitres in one project, but we might be able to save one gigalitre 450 different ways. One project that is on the table here in Griffith is for the Griffith Golf Club and, together with another project with MI for covering up some of the urban channels, that can save 2.6 gigalitres. That's just here in Griffith. There would be similar projects that could be got up across the Murray-Darling Basin. One of those has been approved—the MI one. We haven't heard back about the Griffith Golf Club project at all. That's one of the issues that has been stated before. If we're going to balance this properly, we need those projects to get up and we need them to be progressed in a timely way and resourced by the New South Wales Government. That's where we would really like you guys to lean in.

**ELIZABETH MEAD:** Could I add to that? That way of approaching things is so much better for Griffith. I'm not saying it is for all towns, but for Griffith. With the Sustainable Communities Program, when you look at the list of things that could be funded—for example, tourism activation. Most of our tourism is to do with agribusiness in one way or another, so there's nowhere to go there. With some of the others, there isn't either. The ways of saving water I think need to be looked at and, as everybody said, it doesn't happen overnight. It takes time.

**Mr WARREN KIRBY:** I would like your opinion on this, recognising that all of the foundational supporting industries come from agriculture and, based on top of that, manufacturing et cetera. You brought up saving one gigalitre 450 times. As business chambers, do you see a way that, instead of relying upon agriculture to support your businesses, there are mechanisms, in a similar vein of the small accumulating to something large, that you could be doing to support the agriculture industry in this situation?

**JOHN NIKOLIC:** Yes. That would probably link with other wicked problems that are out there and that affect the economy, one being the availability of workers and the other being housing. We sit at about 2.1 per cent unemployment at the moment. Full employment is about 4 per cent, so we're well and truly beyond that. We're bursting at the seams. There are mechanisms that can increase the supply of workers. There is a DAMA—a designated area migration agreement—at the moment which applies to the Riverina and large parts of western New South Wales. There's a proposal for that to cover the whole of New South Wales, which we oppose because we say that coastal areas already have natural advantages that attract workers.

We need our comparative advantage and one is the DAMA because it broadens the list of potential occupations. It also incentivises migrants to come because it gives them a clear pathway to permanent residency. We want that to remain in place just for regional areas. There is also a temporary worker accommodation policy that seems to have stalled in the department of planning and environment. Griffith would be an excellent test pilot for that particular policy. We have constant harvest here and seasons all year round in terms of what we produce. We don't have places for people to live, and that leads to all kinds of social problems. But that policy is something that has already been drafted. It has been in draft form for several years now. We would like to see that activated.

In terms of housing, there have been a number of projects that have got off the ground here in Griffith, with a community housing provider and local council. What needs to be provided is land. There are many parcels of Crown land in Griffith that are just sitting there vacant at the moment. If they could be made available for social and affordable housing—which is an economic asset, just like a public hospital, in our view—that would mean that those projects could get up and they would make economic sense. There are really ways that we could then supercharge growth, or we could allow the growth to proceed more naturally by getting in workers, having somewhere for them to stay, and that would make the whole system much more resilient than it currently is, because it's been impacted on so many different fronts.

**The CHAIR:** I'd like to thank you both for appearing before the Committee today. You will each be provided with a copy of the transcript of today's proceedings for corrections. Committee staff will also email any questions taken on notice from today and any supplementary questions from the Committee. We kindly ask that you return your answers within seven business days of receiving those questions. Thank you again for your time and your information.

**(The witnesses withdrew.)**

**(Luncheon adjournment)**

**CHRISTINE FREAK**, Water Policy Consultant to Murrumbidgee Irrigation, and Managing Director, Riviere Consulting Pty Ltd, affirmed and examined

**MICHAEL TURNELL**, General Manager, Legal and Regulatory Services, Murrumbidgee Irrigation, sworn and examined

**JEFF KING**, Chair, Murrumbidgee Private Irrigators Inc, affirmed and examined

**JENNY McLEOD**, Policy and Communication Manager, Coleambally Irrigation Co-operative Limited, sworn and examined

**JEFF KING:** I apologise that the bore pumpers' representative is unable to be with us today. She was going to be here, before her aeroplane got into trouble. Murrumbidgee Private Irrigators represents private diverters along the Murrumbidgee River from Tumut to Balranald.

**The CHAIR:** I welcome our next witnesses and all of the people in the gallery. There are a couple of housekeeping matters. If you have your mobile phone on you, please make sure it's on silent or switched off. The only people who are authorised to take photographs are media or the parliamentary staff, so please don't take photos or record video. If you need a photo for some reason, just ask the parliamentary staff and they will be able to help you out. Also, if you need to have a discussion, if you could move outside the gallery area, just outside the doors, to have that discussion that would be great, because otherwise the audio can pick up your words.

Thank you for appearing before the Committee today to give evidence. Please note that Committee staff will be taking photos and videos during the hearing. The photos and videos may be used for social media and public engagement purposes on the Legislative Assembly's social media pages, websites and public communication materials. Please inform the Committee staff if you object to having your photo or a video taken. Can each of you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

**CHRISTINE FREAK:** Yes.

**MICHAEL TURNELL:** Yes.

**JEFF KING:** Yes.

**JENNY McLEOD:** I have.

**The CHAIR:** Do any of you have any questions about this information?

**CHRISTINE FREAK:** No.

**MICHAEL TURNELL:** No.

**JEFF KING:** No.

**JENNY McLEOD:** No.

**The CHAIR:** Would anyone like to make a short opening statement before we begin the questions? In the interests of time, I ask that each organisation only make one opening statement and that it is limited to 90 seconds. Because we have four of you, it is going to be even more important that I police that, so please try to keep it to 90 seconds.

**MICHAEL TURNELL:** No problem at all. I will kick it off for Murrumbidgee Irrigation. Just a quick bit of background. We provide irrigation, water, drainage services to the Murrumbidgee Irrigation Area. It's approximately 379,000 hectares, of which 190,000 is irrigated agriculture. We have approximately 1,740 kilometres of supply—it reaches throughout. We enable a diverse range of production within the area: fruits, vegetables, grains, nuts and fibre, all of which you've probably seen on your way in here today. In the interests of time—there is quite a lot to go through—to keep it quite short I think the key points that we want to focus on are really around looking at what the Basin Plan has already achieved, and going beyond looking at just adding more water and looking at other opportunities that exist out there and how we can explore those. I think that's important to Murrumbidgee Irrigation—really advocating for projects over buybacks and the positive impacts that the projects have for all, as opposed to what buybacks can do to the communities. Perhaps one of the other things that we do want to touch on is ongoing concerns around reliability to water access or water entitlements.

**JEFF KING:** Firstly, Chair, I would like to thank the Committee for being here today. It's really great that you've come out here into the country because one of the things we feel is that often times we're not heard

and, if we are heard, perhaps not much notice is taken. As my father used to say, "I don't know why you ask my advice. You never take any notice of it." But that wasn't quite right.

As I said earlier, I'm here to represent the private irrigators along the Murrumbidgee River who extract water directly for themselves mainly by pumps. We have extracted about 400,000 megalitres of water from the river, which is approximately a third of the extraction from the Murrumbidgee River. We have quite a significant amount of water as well as a significant amount of land and we produce a wide range of things. I hope to be a bit different to some of the people who have been where I am sitting today and who perhaps presented a negative impact. I'm hoping to present a positive impact of the Murray-Darling Basin Plan of the future but also what this amendment that the Commonwealth has made to the bill for the extra buybacks will cost the community—here, New South Wales and in Australia.

**JENNY McLEOD:** I apologise for Julian Speed, our CEO, who was going to present when you were scheduled to be here, but he is on leave so you've got me. Thank you very much for your time. I welcome the opportunity to present to you on behalf of the cooperative and our irrigation farmers. Our core business, as an irrigation delivery company, relies on general security water availability. Most of the water we deliver to farmers in our footprint is for summer and winter annual cropping programs. The focus in what I will present is on our farmers and our business. This inquiry is an opportunity to listen to the concerns of irrigation farmers and communities where they operate and to make clear and strong recommendations to the New South Wales Government about their approach to the Commonwealth reforms, but also the New South Wales Government's own reforms.

Our scheme is a gravity, off-river scheme in the Murrumbidgee valley. It's a group scheme so we've got shared infrastructure and we provide irrigation and drainage services. We've got about 500 farms and 300 farm businesses who are mainly mum-and-dad farmers. Our scheme is purpose-built. The town is the youngest town in New South Wales. It was built in the 1950s and 1970s. There is no other purpose, apart from meeting the demands of irrigation of the Coleambally township. Since separation from government, we've invested enormously to improve our delivery efficiency, but 25 per cent of our water entitlements are now no longer owned by our farmers. Some are owned by governments for the environment, and some are outside.

Our water use has declined by up to 50 per cent. We've got fixed infrastructure and no other purpose but irrigated agriculture. The restoring our rivers bill and the recovery of further water will have significant impacts on us. Our submission describes these issues and provides some recommendations. We think it's important that this Committee not only looks at the Commonwealth but also looks at the New South Wales Government's own approach to issues. Our submission sets out a number of things that New South Wales is leading and that are impacting on our reliability. This Committee has an opportunity to influence the New South Wales approach.

I expect you'll hear a lot about buybacks, which have an impact. Those impacts have not been realised yet. They're still working through and there are more buybacks happening. However, after robust analysis, if governments reach a view that the balance is not right and that the environment needs more water, it's really important that the property rights of entitlement holders are respected and not eroded. We're deeply concerned, as governments get placed under more pressure and financial pressures, that they will introduce changes to water sharing plan releases that will attenuate our rights without compensation. I appreciate water is a complex issue. I will be happy to answer any questions.

**The CHAIR:** We will now move to questions from the Committee. Before we begin the questions, I wish to inform the witnesses that they may take a question on notice and provide the Committee with an answer in writing. I will ask the first question and, being very consistent, it is going to be the same question I have asked almost every other group. I'd like you to talk about the cumulative impacts of State and Federal policy changes in the water space and, to your point, Jenny, the idea of rules-based recovery, which is how the rules can restrict people's access to their property right, and how we need to deal with that in terms of fairly compensating people, if that's the choice of the government of the day. I really want to drill down on the impacts that it has had on communities over the past six to 10 years, but you can go back further if you wish—this constant suite of rule changes and the restoring our rivers Act as well. I am happy for anyone to answer that.

**CHRISTINE FREAK:** I am happy to go first, if you like, on that. In terms of the cumulative changes that have happened over time, we've seen what is close to three decades now—since 1995—of a reform agenda in the water space which is really focused on water volumes and rebalancing. That started in 1995. It continued through the National Water Initiative and the Basin Plan, and it still continues today. As a result of those reforms—the Basin Plan and the earlier ones—one in three litres of irrigation water that was previously available for agriculture has now shifted across to the environment. That has achieved positive environmental outcomes, but it has also come at a cost to communities who have had to go through quite a significant transition in terms of water

availability for farming but also with a smaller consumptive pool that's driven up the prices for water for the remaining farmers using that water market as well. So there have been a lot of changes.

It's important to tell the positives of that. We do have sustainable diversion limits in place in the basin. New South Wales is fully compliant with those limits. In fact, it's actually below those limits. There is quite an under-usage issue in a number of valleys. A lot has actually changed, contrary to what is often told in the media. That's in terms of the actual size of the consumptive pool. But, at the same time, as you spoke about, there is also the issue of reliability—of how frequently people receive a water allocation on their licences which they do have remaining for use. That, again, goes back to previously, when land and water were bundled together as one property right, and then there was the unbundling in which the water property right was intended to maintain those property right characteristics as it had when it was part of the land property right. Part of that is, naturally, water allocations do vary with climate. In a wet year you get allocated more water; in a dry year you get less. That's understood. Farmers accept that. However, any change to that reliability that's a result of changes in government policy is always meant to be compensable. That was part of the National Water Initiative in 2004, and that is also written into both State and Federal legislation.

Unfortunately, though, what we've seen is very poor implementation of that, particularly by the New South Wales Government, and we continue to see that at the moment. What occurs is that the Government will put things in place, such as an amendment to a water sharing plan which reduces the accessibility of a water entitlement, or things like changes to the allocation policy which, again, reduces the average allocation that people will receive, and that effectively erodes that property right without compensation. The New South Wales legislation, as well as the Federal, does have clear processes in place—if the Government does decide that there needs to be a change, there are processes in place. But we have not seen those processes well followed. There has been no transparency on that.

For example, the Minister is required to produce a statement under the New South Wales legislation if there may be an impact to water reliability explaining the reasons for that and how compensation will be provided. There have been very few examples where that has ever occurred. That's something that we feel there needs to be greater accountability on to protect the water property right. In the same way that you can't just remove a bedroom from someone's house, you can't remove part of their water property right either. That's something we would really like the Committee to focus on in terms of making sure the New South Wales Government is aware of what those processes are, particularly the department. There has been a longstanding view that if it's a small impact—less than 3 per cent, for example—that that's not compensable. We believe that is a misinterpretation of the provisions by the New South Wales Government. What results is cumulative impacts, as you mentioned, where these small impacts add up over time, and we've seen a very significant reduction in reliability, particularly to general security entitlements, in addition to those buybacks of the entitlements themselves.

**The CHAIR:** Would anyone else like to respond to that question?

**JEFF KING:** I'd like to answer the first question: What are the social, economic and environmental impacts of repealing the limits to the cap on the Commonwealth water purchases in the 1923 Act?

**The CHAIR:** That's one of the terms of reference, is it?

**JEFF KING:** Yes.

**The CHAIR:** Typically we'll ask questions as the Committee. If that is relevant to one of the questions that comes from the members here, then absolutely you can talk about that. Typically we will ask the questions and direct the questions to you rather than you selecting the terms of reference you would like to talk about.

**JEFF KING:** Okay. I'm dealing with the social impacts.

**The CHAIR:** That is definitely relevant to my question.

**JEFF KING:** Very good. By not complying with the original conditions relating to buybacks in the original legislation, this amendment has resulted in severe damage to the trust of basin communities in the Federal Government. I think trust is a very important thing. The original legislation stated that buybacks for the additional 450 megalitres would only happen if there was no social, economic or environmental disadvantage to affected communities. Murray-Darling Basin, being aware of this, recently commissioned an evaluation—by Tim Goodes, the executive director—which came to the conclusion that there has only been a small impact on the basin owing to the population increasing slightly and irrigation production only declining slightly more than they expected.

I haven't got the basis of what he expected, but what I see is a booming, irrigated local economy despite the buybacks. This has been caused by a run of good seasons, four major floods and two droughts in the last 15 years and huge amounts of government and private investment in on- and off-farm improvements to make more efficient use of the remaining water. The return on this investment has been significant, as Jenny has just

outlined as far as her organisation is concerned. As far as farming is concerned, cotton is a great example of this increased production per megalitre resulting from research, capital investment and farmers who have adopted irrigation methods.

Plant breeders have released improved varieties which have resulted—in the last 28 years, the amount of water used to grow a hectare of cotton has been reduced by 50 per cent, so there is now seven megalitres per hectare. Insecticide sprays have almost been eliminated. Yields have increased to the extent that some growers have achieved yields of more than two bales of cotton per megalitre of water. Our rice industry is also a world leader in water efficiency. These improvements have occurred across all industries but also would have occurred without the intervention of the Murray-Darling Basin Plan.

Looking at the economic side of this, the gross farm gate return for cotton is up to \$1,500 per megalitre. It is reasonable to value the lost annual gross farm gate return per megalitre from the current and future buybacks at \$1,000 a megalitre. This is not one-off; this is going on season after season. This means that the annual economic loss to basin communities by the loss of this water from the productive pool could potentially be from \$450 million to \$600 million a year depending on how much is reclaimed. This seems exaggerated, but just to point out that one gigalitre of water is equal to 1,000 megalitres of water. A 400-gigalitre reduction in available water for irrigation is 450,000 megalitres. If we multiply that by \$1,000, then we get the figures I have quoted.

This might seem a little bit exaggerated, but cotton has little local value-adding. Rice, prunes, grapes, grain and almonds are all significantly value-added in New South Wales. A loss to the New South Wales economy of \$1,000 for each megalitre removed is conservative. I have grown wheat for pasta where they paid us about \$600 a tonne. I looked in the local shop here today, and they're charging \$6,000 a tonne for that same tonne of wheat. And also I think with rice, which is processed locally and sold through the supermarkets, the increase in value amounts to about 10 times. We don't look at just the farmgate price. The State is losing the value-added price as well, and this will have considerable impact on the local communities in the New South Wales budget as we struggle with housing affordability and availability, staffing for childcare centres, and aged and disadvantaged care. I'd just like to move on now to just a little bit about the rules-based changes up to 3 per cent.

**The CHAIR:** Mr King, I note that you seem to have some notes there. Is this something that you have in writing that you'd be able to provide to the Committee?

**JEFF KING:** It is, yes.

**The CHAIR:** If we could do that, that would be really good, because I have to get around to all these folk and get them to put some questions to the panel.

**JEFF KING:** With the time, yes.

**The CHAIR:** If that's okay, I'd really appreciate that information from you, because I think it's really good stuff. I like your dollar conversion on a megalitre. That's interesting. In the interests of time, if you wish to respond to that question, Ms McLeod, you can, but I'm just conscious I want to get around to these folk.

**JENNY McLEOD:** I'm happy for you to go around to the other people.

**Mr STEPHEN BALI:** This is a question more to Christine. In your submission you were talking about the splitting of the water rights from the property rights et cetera. We've been talking about potentially breaking the basin into areas where it must have a minimum amount of water rights in the area that even if the farmers wanted to sell, they can't sell because you need to sustain that section of the river with a certain amount of licences. But I'm just wondering, should that even be broken down further? It's one thing having a water right that you can sell, but if you sell that water right, your farm now becomes unsustainable. It may be good for the individual farmer in the short term, but should the water right or part of the water right return to the property that you can't sell and then maybe an excess amount that you could sell? Does that make sense or am I talking from Western Sydney and that doesn't make sense?

**CHRISTINE FREAK:** In terms of the unbundling—that is what they call it, the separation of land and water—that is something that a lot of people do ask the question of should they be bundled or unbundled? My thoughts on this, and you can hear Michael's as well, is that the egg has been scrambled, in a way. It would be very hard to undo that now that it has been established as its own entity and its own entitlement. There are trading rules in place in terms of where those different entitlements can be traded throughout the system and different trading zones in the southern basin, for example. That's one way in terms of changing the movement of that water. I think the unbundling process has very much sort of happened.

**MICHAEL TURNELL:** I was just going to add that one of the common phrases I would often hear when I first came into the role was, "The one thing they should have never done was separate land and water," because of the impacts that was having and the perception around customer-only accounts where they own the water and

don't own the land or they're just using the water as a bit of a portfolio. But, like Christine said, it's really hard to piece it all back together. Ideally it would have been good if we were sitting here in 2003 to have that discussion.

**JENNY McLEOD:** If I could just add, the reality is we have a market-based system. Our land and our water are both valuable commodities and I agree with the comment that you can't unscramble the egg. The other thing to be well aware of as IIOs, irrigation infrastructure operators, is the Commonwealth water market rules curtail our capacity to influence any trade of water entitlements by individuals, and in the southern basin it's a highly connected annual water market which is shifting water between commodity types, particularly in dry years.

**CHRISTINE FREAK:** Just one other thing to add to that as well is the reason why they did that unbundling was so that you could manage water as a distinct resource, and that has allowed things like the Basin Plan to actually reduce water diversions as a standalone unit. If you look at other countries around the world where land and water are still tied together, you have to retire farmland if you want to actually do that, and it's a much more complicated, much more challenging process. You can look at the US, for example. There are instances where that's trying to occur at the moment; it's very challenging. There are pros and cons but one of the benefits of it—we've talked about some of the cons—is that it has actually allowed that sustainability program to occur and to get SDLs in place and to manage water in that unique way.

**Mr JUSTIN CLANCY:** Christine, I was drawn to your introductory comment about highly regulated systems. I note the second term in the terms of reference was touched on, on take and unlicensed take of water. I noticed, Jeff, your response then talks about the compliance. I thought, for the benefit of the Committee, you might touch on compliance from this part of the world—from the Murrumbidgee—and what that looks like. Again, in that sense, we're looking at what the New South Wales Government can do, and I suppose part of that is how that cost of compliance is being borne by the irrigators as well. I would welcome some thoughts around that, please.

**CHRISTINE FREAK:** I have some high-level comments, and these guys might want to add after. Obviously, as an industry, we fully respect compliance with water laws. It's something that's really important to all water users. NRAR was established following the *Four Corners* program. They are a very strong organisation. You drive through most streets in country towns and you'll see NRAR vehicles there. I think a lot of the rhetoric that you particularly hear in the cities about water theft—it's absolutely not the case that that's occurring, particularly anymore in New South Wales. NRAR, in our view, is very heavily resourced, I suppose you would say, in terms of there's a lot happening in that space. It's important. You might have some more comments, Michael.

**MICHAEL TURNELL:** Definitely what Christine said. Most importantly, we think compliance is important, and that's across a whole heap of different areas—metering, usage, markets—and we're getting that both at the State and Commonwealth levels. I think, at the moment, the environment that we're in—I've sat in the policy role for just under 12 months now and the amount of reading and submissions and changes and everything that's happening at both State and Federal levels is very fast paced.

We're a member-based organisation. Murrumbidgee Irrigation, in particular, is cost recovery, so we have to bear these costs and therefore our customers are bearing these costs to keep up with all these changes, and they're quite significant. What we've learnt—and probably Jenny can add to this as well—going through all of this, there's change management. I think a lot of the policy is happening so quickly that we're having to adapt and adjust to meet with that. An example is in less than 12 months time now we'll be reporting on water market data standards and water market decisions, and we're still trying to understand how that is going to work from a system point of view. There's a lot of work that happens behind the scenes and a lot of costs that are involved from that perspective. We are absolutely pushing for compliance, but for organisations of our size it's a challenge to keep up.

**JEFF KING:** I think we all agree that compliance is essential for the system to work. Compliance, I think, has been rated at 99 per cent, so I wonder why the State Government moved to increase their budget so significantly. From my experience, that money would've been much better spent better resourcing WaterNSW, who actually create these rules and regulations. From our experience, when they tell us they haven't got the time or the resources—and from the results we realise they haven't got the time or the resources, particularly with relation to the Murrumbidgee unregulated water plan, where they created a whole heap of wetlands and then finished up taking a thousand or more off it. It's a similar thing with floodplain regulation. They seem to have drawn straight lines on the map in places. In one case I know of, a person who has never been flooded, except by rainfall, is within that zone. That means he's got to comply with the regulations, but he's never been flooded by the river.

**JENNY McLEOD:** To comment on the measurement, measurement is really important to us as an IO—the accuracy of our diversions from the river, which is our metering point with WaterNSW. Then we are

responsible for measurement onto farm. We've got a QA process ensuring the accuracy of our on-farm measurement. It's really critical to ensuring equity between our farmers but also management of our delivery system and its efficiency. Without good measurement, you can't manage it. In relation to your question around cost, we've got one extraction point from the river. I would argue that we're actually subsidising a lot of the NRAR activities, because we've got our 300 farmers that the NRAR surface water activities are not really relevant to. We're managing that, and we have one single extraction point which we have assessed every month for its accuracy. But measurement is really important. NRAR have an important role. Are they an efficient regulator and is their focus right? I think that is another question.

**Mr WARREN KIRBY:** I'm curious. What alternatives would you recommend to meet the New South Wales targets, other than buybacks?

**CHRISTINE FREAK:** There are a few things on that. First of all, there are a number of targets in the Basin Plan. The number one centrepiece target was to get sustainable diversion limits in place, and that has been achieved. We've certainly got that one in place. The Bridging the Gap target is the amount of water that was needed to be bought back to get compliance with those targets. That has pretty much been bought back. It certainly has in New South Wales. There is a small remaining component in Queensland. The other targets relate to the sustainable diversion limit adjustment mechanism, which is a way that their sustainable diversion limits could be moved up or down by 5 per cent based on environmental projects that could achieve better outcomes. We're expecting a shortfall when it comes time for the reconciliation there. That is a huge risk to the southern basin in New South Wales because that means that a large volume—we don't know exactly what that large volume will be yet, but it could be in the order of between 150 and 315 gigalitres, which was the last estimate—has to come out of the southern basin. That will reduce the consumptive pool. It could happen via buybacks; it could happen via reliability impacts. That question is up to the Federal Government at this point in time.

In terms of what else needs to be done, complementary measures is the thing that we really believe more needs to happen on. What we mean by those is the non-water-type projects. The focus, as I said before, for the past three decades has been on water volumes and an assumption that by reducing the amount of water that is used, you will get better outcomes. That's obviously part of the equation, but it's not the whole picture. When you look at the environment in the basin at the moment, the biggest degradation drivers aren't actually water volumes, and the data says that. The New South Wales Government has the River Conditions Index, which is available online. You can go to every river system and see the environmental condition there across a variety of indicators. Hydrology and water volumes is one of them, but there are other things like biodiversity and vegetation. Invasive species is a huge problem, with carp, for example, now making up 90 per cent of the biomass in the river systems. These are problems that you can't just add water to in order to fix. If we keep just keep adding water, it's going to be using a lot of money, but also a lot of the political will and interest in the basin, on not fixing what are actually the biggest environmental issues.

Something that is a win-win opportunity for the basin moving forward is to move away from this volumetric focus. That's not to downplay the importance of water, because it obviously is important. But it's just to say that we've actually done that part. We've finished what has been a mammoth effort across governments and across decades to get SDLs in place. If we really want to see the environmental outcomes now, we need things like invasive species control, fish passageways across weirs—because we know our native fish migrate across river systems but they can't very well at the moment—native species breeding, riparian vegetation, biodiversity and a whole bunch of things. There are good singular examples of that, but it just hasn't got the funding at the moment. We're never going to see environmental change in the basin until we see a focus on how we can optimise the outcomes from the water balancing situation that we've now come so far to getting to.

**JEFF KING:** I think it depends on which lens you look at this through. A lot of people look at the negative side of it. I recently heard an address from Simon Banks of the Commonwealth Environmental Water Office talking about the successful results of their program across the valley, the restoration of native fish and vegetation, and it is right across the valley. Every valley they have had success. He was saying there's still plenty of room for further research and development in how they're going to use that water. I'd like to point out, at the moment the environment has access to 72 per cent of water in the river, and our take is 28 per cent. If the Commonwealth takes all the water they're thinking they'd like to take, we're going to finish up with about 20 per cent and the environment will have 80 per cent of the water for their use. That's where the research should be in: into how to better use that 72 per cent of the water that's already flowing down the river, rather than buying water back.

**Ms CHARISHMA KALIYANDA:** The Murrumbidgee Irrigation submission mentioned that New South Wales communities are particularly vulnerable to the SDLAM reconciliation. Could you unpack that a little bit more, maybe tell us a little bit about why that is the case and what can be done to reduce our vulnerability?

**CHRISTINE FREAK:** Yes. It's a great question. The SDLAM, Sustainable Diversion Limit Adjustment Mechanism, was introduced into the Basin Plan to try and reduce the socio-economic impacts in the southern basin. There's a package of supply and constraints projects which, if we implemented, can reduce 605 gigalitres worth of water recovery, but also provide really important environmental outcomes. Constraints in particular can deliver water to other parts of the river system that just adding water can't get to. So they're important environmental projects, but also really important for communities to offset that further water recovery.

The implementation of those projects has been a problem, because they weren't on track. They weren't going to be delivered in time. Part of the restoring our rivers Act gave the flexibility for more time and for new projects to go into the mix of SDLAM, so that was a positive development. However, unfortunately we're still expecting a shortfall. Essentially what happens when the reconciliation date comes around, which is at the end of next year, is that there has to be an adjustment to the SDLs in the southern basin to make up for whatever part of that offset that hasn't been realised in practice. That's measured in terms of projects actually being in place, so we are expecting a shortfall.

The MDBA has published what they call their SDLAM Reconciliation Framework, which provides a bit of a process for what happens there, but there are a lot of questions that remain unanswered. Essentially, the SDLs in this area could drop. The Federal Government could buy back the water to make up that shortfall, but that is their decision about how they do that. The alternative, if SDLs drop, is the New South Wales Government would have to manage water use in the area to comply with the new SDL, which would see every water user in this region seriously impacted. So I would say it's probably the biggest concern to irrigation communities in New South Wales, particularly in the southern basin.

In terms of what can happen, there's been some progress in terms of New South Wales putting forward some further projects, which these guys can talk about in more detail. One thing that New South Wales should really do is stand firm with the Commonwealth on maintaining their commitment to SDLAM. If projects aren't in place by the reconciliation, we shouldn't have the reconciliation, to be frank. What we've seen in the constraints road map, which the MDBA published at the end of last year, which was part of their restoring our rivers Act, is that they're expecting that to take 10 years to get the full constraints program in place. As I said, that is important for the environment. Nobody actually wins by having this reconciliation at the end of next year, for the sake of enforcing a time frame that happens to be in the legislation, because the environment is not going to get the projects they need but also you're going to see communities suffer.

So New South Wales needs to stand firm that we don't have a reconciliation until the projects are in place. It probably shouldn't support the constraints road map until there are commitments around maintaining that offset and New South Wales being allowed to comply with the SDLAM-adjusted SDL, until those projects can be in place and making sure that there's the full funding and time to get that to happen. At the moment, communities are bearing the risk of what has been successive governments—and I'd say the issue's probably State and Federal—getting those projects in. These guys might want to talk more about some of those specific examples of New South Wales projects.

**The CHAIR:** Sorry, I might just jump in quickly. From a time perspective, we are at the end of our time for this session. I'm certain that there are questions that members still want to ask. We might deal with that through supplementary questions. If you want, take 20 seconds just to talk through what your question is, so witnesses can start thinking about it. It's just that we've run out of time to get your response today. We will seek it in writing, if that's okay?

**CHRISTINE FREAK:** Yes, no worries.

**Ms CHARISHMA KALIYANDA:** I can send them in writing. That's fine.

**The CHAIR:** Please, go ahead. Plant the seed, but we just can't get the answer today.

**Ms CHARISHMA KALIYANDA:** Sure. In recommendation 2 there seems to be a bit of a conflict between urging the New South Wales Government to urgently prepare for a SDLAM reconciliation but then saying that the Government should not support a SDLAM reconciliation in 2026. I was just going to ask for clarification about what an appropriate time frame is. But that can be done at a later date.

**The CHAIR:** That will be done on notice, yes. Thank you all for appearing before the Committee today. You will each be provided with a copy of the transcript of today's proceedings for corrections. Committee staff will also email any questions taken on notice from today and any supplementary questions from the Committee. We kindly ask that you return answers with seven days of receiving of those questions. Thank you all for your time and information. We really appreciate you coming in.

**(The witnesses withdrew.)**

**Councillor JOHN HARVIE**, Mayor, Murray River Council, sworn and examined

**Councillor DALLAS TOUT**, Mayor, City of Wagga Wagga, sworn and examined

**PETER THOMPSON**, General Manager, City of Wagga Wagga, affirmed and examined

**The CHAIR:** I welcome you as witnesses. First, a bit of housekeeping. Have your mobile phones on silent or off, please. Those in the gallery, if you need to have a discussion, please step outside the room. Also, please, no photographs or video. If you need photographs from today for any reason, just talk to the secretariat staff and they will furnish you with some.

Again, welcome to our next witnesses. Thank you all for appearing before the Committee today to give evidence. Please note that Committee staff will be taking photos and videos during the hearing. These photos and videos may be used for social media and public engagement purposes on the Legislative Assembly's social media pages, websites and public communication materials. Please inform the Committee staff if you object to having photos and videos taken. Can you please each confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

**PETER THOMPSON:** Yes.

**DALLAS TOUT:** I have, yes.

**JOHN HARVIE:** Yes.

**The CHAIR:** Do any of you have any questions about this information?

**PETER THOMPSON:** No.

**DALLAS TOUT:** No.

**JOHN HARVIE:** No.

**The CHAIR:** Would anyone like to make a short opening statement before we begin the questions? In the interests of time, I ask that each organisation only makes one opening statement, and that this is limited to 90 seconds. I have to police that, because we are on a timeline.

**JOHN HARVIE:** Thank you, Mr Chairman and the Committee, for allowing us to come and give this evidence today. I would like to make a few points. Agriculture, within Murray River Council, is our number one driver of our economy. Our local government area is within the southern basin and so far that's where 83 per cent of all of the buybacks have come from. Agriculture and industry only use 28 per cent of all water inflows into the Murray-Darling system. The rest is to the environment and, I guess, evaporation.

Repealing caps on Commonwealth water purchases is like giving mice unfettered access to the cheese store. I would ask the New South Wales Government to strenuously oppose that. Should the caps be repealed, New South Wales needs to aggressively pursue the Federal Government to increase the Sustainable Communities funding. It was \$300 million that was to come to the southern basin. That was reduced to \$160 million. Why would you reduce it to \$160 million when 83 per cent of the recovery comes from this region? We say that the Federal Government has to be pursued to upgrade that funding to \$1.5 billion.

**DALLAS TOUT:** Thanks for the opportunity to come today. You came over once before, but we all did that, so thank you for being here today. Our submission will be slightly different from everyone else's. For the information of any members of the Committee, we are upstream, so our submission and our answers will be slightly different. Part A of our submission was in relation to the impact on our assets in our LGA. Part B was focused generally on the method and the process of access to landholders' land when the flows are in place, the lack of consultation during that process to date, and how they've managed calculate what that compensation may or may not be. We are here on behalf of our council, obviously, but our submissions are from representations from our community, particularly farmers along the river.

**The CHAIR:** Before we begin the questions, I wish to inform the witnesses that they may wish to take a question on notice and provide the Committee with an answer in writing. As Chair, I will put the first question. You are right, Mayor Tout; the submission from Wagga Wagga was very different in its nature. It talked about the increased cost to council from the damage to assets from the bigger river. I wonder if you could expand on that in terms of what you think those costs would look like and how often you think you would be deeply affected by that bigger river?

**DALLAS TOUT:** I'll answer, but I'll look to my left in case I get a nod to not say anything. Since we put in the submission, we've had a briefing from the project in regard to Mundowry Lane. There's a whole range of

assets along there, and I think there are four landholders impacted. I can't say the price. We were told that the briefing was in confidence. I'm not sure if I can tell the Committee that. Following that workshop, there's still a lot of work to be done, but I think the council was fairly comfortable in the path going forward as far as the mitigation of those assets. We haven't finished the story yet, but since the submission we did receive that briefing. There's been a lot of work done on Mundowry Lane. That's the particular, major impact in the Wagga LGA. I'll just glance to my left towards my general manager in case I've missed anything.

**PETER THOMPSON:** I'll confirm what the mayor said. In the interests of this Committee's time, the impact on our assets is not something you should be focusing on. The engagement we've had with the department has been to our satisfaction. There is a lot of funding being applied to the Mundowry Lane issue. We have no current objection to that, although there are some question marks about what the impact of increasing the height of those locations will be. In our submission, we gave you, I hope, a fairly clear idea that, yes, it's causing us impacts and, yes, it will cause us cost, but we have mitigation measures ourselves as a government authority. I think that the issues that are problems that this Committee should rightfully be turning its mind to shouldn't be distracted by our assets. We'll be okay.

**The CHAIR:** Yes, it was a unique submission in that sense, but I will look to my Committee members and see who would like to pose the next question.

**Mr STEPHEN BALI:** Changing tack from what I normally ask, I have been learning, hearing all the different presentations—and it's great to see two mayors there. As a former mayor, seeing mayors here is always good. In an earlier question I asked whether we should have a commissioner, you may recall—that got shot down pretty badly. I now notice that an Agriculture Commissioner has been appointed, and one of their roles is to go around consulting with councils and different authorities, so I wasn't too far off the mark. Have you met with the Agriculture Commissioner, as a council, or their department or section, because their role potentially is coordinating some of these issues that we're talking about.

**DALLAS TOUT:** Not to date.

**PETER THOMPSON:** Sorry, Mr Mayor. Yes, we have.

**DALLAS TOUT:** That's why you're here.

**PETER THOMPSON:** The commissioner has met with us. She was generous with her time. Her appointment, though, is for a period of three years. The decisions which you're grappling with here will move at a much faster pace than that, I would suggest. Without focusing on what you may ask as your questions, I hope you will ask us about what advocacy we would like to give to our community, because that's why we're sitting here. But, yes, we have spoken to the commissioner. It was a first meet and greet. She's obviously got a background in the area. She is relatively green, though, I would suggest, to some of the regional issues that are confronting western New South Wales, noting she has a wealth of Crown Lands experience. My concern would be that her length of tenure is much longer than the issues that are burning in this room today.

**Mr STEPHEN BALI:** Obviously, we're talking about water and use of water et cetera, but as towns—and everyone's talking about how especially councils want to grow their towns. How do you deal with wastewater? I know, in my local patch in Western Sydney, or the north-west, they've just developed a new sewage treatment water plant that's got it to the level, arguably almost, of drinking water, not that we want to drink it. Anyway, that may be a policy in Sydney one day. What happens to wastewater from the towns at the moment? How do you use it? Is there a way of improving the quality so it is used to take the pressure off taking water out of the Murray-Darling Basin? Are there other avenues where we can save water?

**DALLAS TOUT:** We already use it for sporting fields et cetera, but the vast majority of it goes back into the river to contribute to the quantity of water in the river. I won't try and quote the megawatts.

**Mr STEPHEN BALI:** No, you don't have to, but is it reasonably treated, because there was an earlier discussion of hormones and everything else that's in the water supply? Does it need to be treated at a better level before it gets returned to the water system?

**PETER THOMPSON:** We have three wastewater treatment plants. One of those is heavily contaminated with PFAS from the RAAF base at Wagga at the moment and is not discharged anywhere because it can't be discharged anywhere. It's based on an evaporative system. We have a smaller treatment plant which is called the Koorinal treatment plant. That's used for recycling onto sporting fields, largely. The last treatment plant is by far and away our biggest treatment plant and, as the mayor correctly says, we discharge, from memory, around six to seven megalitres a day back into the river. That replenishes the river in a way that's measurable at the gates in terms of, if we're not discharging, that will show up as an impact on the river level. But we do discharge every day.

**JOHN HARVIE:** Similarly, for Murray River Council, we have seven water treatment plants and sewage treatment plants as well. A lot of ours is recycled via evaporation or discharge into the river.

**The CHAIR:** I imagine if you have very small communities you probably still have some on septics as well.

**JOHN HARVIE:** There are septics in the rural areas, yes.

**Mr JUSTIN CLANCY:** Mayor Harvie, I'd be interested in gaining a perspective from you in terms of what we touched on: the impact of reconnecting the river for Wagga city. Your LGA will be heavily impacted as well. I appreciate the Murrumbidgee valley is moving ahead of the Murray valley in that regard. Without loading the gun, what is the process looking like for your LGA? What can we be doing, and what can the New South Wales Government be doing, with regard to that?

**JOHN HARVIE:** I think it's really important that, as I said in my opening remarks, there should be some pressure put on the Federal Government to say the amount of money that is on offer here is just insignificant and it's not enough. Apart from that, it's the way that the money is then used. I think that councils around our council—we want to work together so that we're not just bundled into our own LGA. For example, if we had our neighbouring LGAs, we would sit down and have a talk about, perhaps, how the money could be spent to the advantage of all three. For example, if you build something or you work with rice growers in Deniliquin, that will have a flow-on effect into Murray River Council. Similarly, we've got some projects in mind from Murray River Council which will be beneficial to our neighbours.

What scares us with funding from the New South Wales Government is that the time frames are far too short. It would be better if we were given some seed funding out of that money so that we can put together a regional group and local groups—irrigators, industrialists and so on—so that we can sit down and say the jobs that are going to be lost if this water is taken out of our southern basin, how are we going to replace those jobs? What are the projects? What are the industries? Is it value-adding? If you take the amount of water and we remove the caps on water buybacks and more water is taken out of the system, I doubt whether the rice industry will survive. If the rice industry doesn't survive, what do rice growers do with those big mills? Are we going to look at milling wheat? I don't know what the market for wheat flour is like.

That is why we need time and some seed funding so we can get together and get some consultants involved so that we can do some work on identifying how we're going to replace those jobs. From our point of view—our council hasn't discussed it yet—I would put forward that we put together some sort of regional cooperative that can receive those funds and then can spend them on those projects or allocate them to those projects as we go forward. But we need time. You can't just dump money and say—and we don't need it to be competitive. That money has to go to where the damage has been done. We've got Wakool, one of our small villages, with 53 per cent population decline due to the previous buybacks. We've got 28 per cent in other communities. It really has hurt our region. Anything that hurts irrigators hurts our local economy and hurts our urban areas. Thank you for the question.

**Mr JUSTIN CLANCY:** Thank you, Mr Mayor. One of the concerns or risks is around meeting the 605. One of the big concerns in removing the cap is that there will be further buybacks in that regard. Part of that is those projects associated with the 605. The constraint projects, I know, would be ones that heavily impact your part of the world.

**JOHN HARVIE:** Absolutely, but they're funded from a different source of course—yes, another part of that funding. The thing with the sustainable diversion limits from our point of view is the third party damage that's going to occur and the way that the Federal Government are handling the compensation claims that will arise out of that.

**Mr JUSTIN CLANCY:** I was just hoping to explore that a little bit further with you.

**JOHN HARVIE:** That's a big concern. It's a big concern for our irrigators and those people who are going to be affected. We're trying to push too much water from the Hume and the Dartmouth down the Murray. We're utilising the Edward and we're utilising Murray Irrigation Limited and other irrigation companies' assets to try to get that water down to South Australia. What for? I've looked at this 450 gigalitres, and it's going to end up out at sea. It's not going to do anything productive on its way there.

**Mr WARREN KIRBY:** A question I've been asking all of the councils is what are the programs that have been put in place, the community programs that have worked and those that have not worked? Do you have any other suggestions on the kinds of things that could be done from a State level, bearing in mind the State is not in control of the buyback? We may not be able to influence the Federal Government's decision, but there are things that we can do in the State Government to assist local councils and regional areas. If we can start with programs

that have worked and not worked, and then perhaps suggestions on what you think we should be doing as a State Government to help out.

**DALLAS TOUT:** I'm going to turn your question around, because our submission is quite unique. Ours is not in relation to programs. Ours is in relation to the process that has been undertaken to get access—I won't call it compulsory acquisition or easements or positive covenants or anything like that. It's for the access of the environmental flows that will impact our farmers. Our whole purpose of being here is to talk about that and the process that has happened to date. With respect, I won't be answering that question, but that's what I would prefer to talk about as Wagga council.

**Mr WARREN KIRBY:** When I talk about programs, I'm talking about initiatives, programs, ways that the State Government can work with local government to mitigate the effects, whether they're negative effects of too much water or negative effects of not enough water, from a local council perspective that is directly affected by these overarching decisions.

**DALLAS TOUT:** Peter's ready to take that one.

**PETER THOMPSON:** The question about the programs to address buybacks, I think Murray River Council is the correct council to answer that question. Because we're so high in the catchment and our economy is perhaps a little different to the catchments that have been heavily impacted by previous buybacks, those programs have not really been a significant issue for us as they should be for others. In answer to your question, as we've said in our submission, the approach of the State Government to the way that it engages with rural communities has not paid respect to the views of the rural communities in how this might be done. It has very much been, "We will visit your area and we will explain what's about to happen to you or what's about to happen at this address." It doesn't approach the issue of saying, "How can we do this with you with your agreement?"

I think there are other groups that have already appeared here today that are talking about a fee for flow rather than a compensation amount. The question that we posed in our submission was we know that the State Government has done a calculation on what the compensation might be, but we can't fathom how they could possibly do that when they haven't yet asked the rural sector what the impacts will be. How can you value something that you haven't got an answer on impact for? The answer we got to that was, "We've asked top experts," and the experts that are being asked aren't the rural communities that will sit in front of you during this hearing. It's someone else who has a consultancy business that feels that they know the impacts, and that is completely inappropriate. As I say, we sit here as advocates for our community, who are saying, "Take easements off the table. Look at positive covenants."

We know for a fact that when we addressed the office of water the first time around, the staff that were managing the issue didn't know what a positive covenant was. The only brief they had was easements. To answer your question before Murray River gets a chance to answer the question on programs that have worked, if you can engage with local government in terms of providing a much fairer and a much more balanced articulation of what it is you're trying to achieve, you'll get a better result from this State, rather than having the Government come in and say, "Everyone needs to achieve this 605 number," because no-one wants more buybacks in order to achieve that number. I think everybody would be in rude agreement with that. It's how you get from A to B whilst recognising the important role regional communities play in this State and how the water issue will disable those communities again, just as it has done before. You can't turn a blind eye to that on this occasion.

**JOHN HARVIE:** Previous projects we received funding for was after the first buybacks, where the Wakool township lost 53 per cent of its population. We managed to get additional funding from two funds within the State. We got \$450,000 from the Murray-Darling Basin Economic Development Program round two but we got additional funding—I haven't got both programs that we got that from—which enabled us to build a micro abattoir in Barham, which was able then to service artisan growers and larger growers throughout Wakool, Barham and right along the Murray who were growing beef, lamb and pork. Because abattoirs had closed down right through Victoria and New South Wales—the Deniliquin abattoir closed—they had to take their livestock over 300 kilometres one way to be processed, which was resulting in the meat coming back quite tough. The quality had deteriorated. We managed to put that into an abattoir, which is up and running, processing chickens, all the way through to beef, lamb and pork. That's servicing the local butchers and the local communities really well.

The other one was, because of the social implications of the declining population in Wakool, they lost their football club. They couldn't put a football club together—that was their weekend and their mid-week training and so on. So the social aspects really needed to be looked at. We managed to get some funding, again from a Federal source, to upgrade their local bowling club. In fact, the bowling club was so far gone with white ants it was pulled down. We replaced it with a new bowling club for \$300,000, which you can do in local communities. It's a fantastic asset, which has helped the community. It's given them another place to come together, another social outing. It certainly hasn't resolved all of the social issues but it certainly has helped.

So, yes, we've got good programs. We've got the Wakool western land improvement group, who have, for the last two years, undertaken a study into the growing of hemp and the further processing of that. Those guys have come to council recently and said, "We're going to need an injection of funds to take this just a little bit further, but it's going well. We've got so many growers growing hemp." Likewise, in Wakool, we have farmers and contract farmers there growing teff, which is an African grass that has fantastic health benefits and can replace wheat flour. So there are a couple of projects that, if we got together and we were able to review the financial viability of those business plans, might be projects that would be able to be helped with some of this money that is coming forward.

**Mr WARREN KIRBY:** Were there those that didn't work so well?

**JOHN HARVIE:** No. I think some of the smaller funding projects that we had looked at the social aspects in our smaller communities, where they were able to build new parks and play equipment and things like that. It was quite good. I think we, as a council—and our economic development team and our project officers—did a great job in making sure that the money was well spent and that there were good social outcomes for our communities.

**The CHAIR:** Mayor Harvie, you can build bowling clubs at '80s prices, apparently, so if I need a bowling club, I'm coming back to you.

**Mr WARREN KIRBY:** I'm putting you in contact with Blacktown City Council.

**Ms CHARISHMA KALIYANDA:** I think Liverpool could benefit from that too. In relation to your submission—and I think it was in the City of Wagga Wagga submission—would you be able to give us more detail about your experience with New South Wales and Federal water Ministers on issues around land acquisition in your LGA and whether the discussion around buybacks had come up in that context as well?

**DALLAS TOUT:** In relation to Wagga, we have to give credit to Minister Jackson. After this went through council, we got a meeting with her fairly quickly and that was really productive. That's where we had a discussion about options rather than compulsory acquisition to gain access for the environmental flows. That's where a discussion was had in regard to positive covenants, and they were going to further investigate that. That went really well.

**PETER THOMPSON:** I have two comments. When the community approached council to assist them in their engagement with government, there were two resolutions that came out of that approach. One of them was to approach the New South Wales Minister. As the mayor has correctly said, that meeting was facilitated almost immediately. We couldn't complain about either the timing or the hearing that we had. It was a good opportunity to again put on the table, "Let's not look at easements. The farming sector in our region would be supportive of other options, but talk to them about it." The reason why that was a focused issue was because we had experienced this in the first presentation we had from the office of water: We're going to endeavour to reach agreement but, if we don't get agreement, then we'll just do it by compulsory process. That is what I was alluding to before.

This has been unnecessarily divisive, in terms of the reconnecting rivers program. Again, I can't speak intelligently about the buyback program because the region hasn't been impacted by that anywhere even in the same ballpark as other councils. But the reconnecting rivers program has not been a good engagement. Hopefully, this Committee can bring around a different form of engagement where government works with us to develop a system that works. The Minister, as I say, gave us prompt and good time directly with her, and that should be recognised time and time again. The second resolution was to reach out to the Federal Minister and seek a meeting with her. That was politely declined.

**DALLAS TOUT:** There is one quick last thing I wanted to say, because I'm not sure how much time there is left. It is in our submission but, because of the comments that Peter made earlier about calculation and the experts and what the conversation will be, that formed part of the business case that the State Government put to the Federal Government, who then agreed to fund what was in that business case. How do they know how accurate that could be? It could be way over. I don't think it's going to be under. We've really got concerns about how that process even got to that point. The State Government put it to the Feds and then the Feds signed off on it.

**Ms CHARISHMA KALIYANDA:** In relation to that, while I have a couple of councils here, over the past couple of days we've heard from multiple councils as well as other organisations around the need for consultation and engagement with local communities to be better and for there to be—rather than tokenistic engagement—real, serious levels of working together between different levels of government and different community organisations. However, there was also a point made around, particularly for smaller local government councils, there being a lack of capacity to put forward detailed proposals or put forward some of the depth of design required to address some of the more complex parts of this issue. I would love your thoughts on where you

feel the balance lies, what you feel the appropriate delineation is or ways that local governments can engage better with State and Federal governments.

**DALLAS TOUT:** Local government will always work with all other stakeholders. We prefer to be talked with rather than talked at—you can take out of that whatever you like.

**JOHN HARVIE:** I concur with that statement. But I have always said—and I mentioned it to the CEO of the Murray-Darling Basin Authority on a couple of occasions recently—that, in general, the relationship between the Murray-Darling Basin Authority and irrigators has been confrontational. We have to stop that. The reason it's confrontational is that our irrigators, who are on the ground, are the best environmentalists. They look after their land. They look after the water, because their livelihoods depend on it. I did say to Andrew that we can just draw a line, sit down and look at our lines of communication and redraw them on the basis, as Dallas said, that you're an equal partner in the conversation, not being spoken at where a decision has already been made. I've said here, you'll get better outcomes if you include irrigators and irrigation representatives in those consultations, on equal footing.

**Mr JUSTIN CLANCY:** Very briefly, and I'm happy for you to take it on notice, just returning to the discussion around conversations with the Minister and exploring a form of compensation for landholders impacted and also positive covenant, as opposed to an easement. Hopefully there's work being done on both of those elements. Are there other elements there that we should be aware of in terms of some of the concerns being raised by landholders, in terms of the constraints projects that you're facing in your part of the world?

**PETER THOMPSON:** I'll answer the question this way, and I don't want to make too fine a point of it, but because this water issue is being broken down into small pieces, sometimes the bigger picture is being lost, which is that Australia has an international reputation for having the finest farmers who survive without subsidies and an ability to produce an enormous amount of production, which is an export industry to us. We're looking at a 25 per cent growth in global population before it peaks out in about 2070. The issues you're talking about here might be about compensation, how you distribute programs and how we can communicate with each other.

But, make no mistake, you—and by "you", I mean the State Government and the Federal Government—are impacting on the ability of Australia to produce food and fibre, and because we've broken it down into smaller pieces, that fundamental fact is being lost. If we can lift up to saying, "Whatever the outcome is here, it can't be at the expense of our country to produce food and fibre over the next 30 years," then our communication and the issues will necessarily end up in the right place. It's because that's being lost and that's being seen as an expense that the next three years can pay, and there's no recognition of the long-term expense, that is where the communication is being lost.

**JOHN HARVIE:** We're one of those councils that just don't have the resources to get into that higher level stuff, and we've really relied on our irrigators' representative organisations to look at that from our perspective. But, to make a statement, either Australia wants to be a producer of food and fibre, or they don't, because the day for that decision to be made is very, very close.

**The CHAIR:** That's consistent with the evidence that we've received. Any other questions that need to be asked, obviously, members, you'll have the chance to put those to the witnesses, on notice. I'd like to thank you all for your time and apologise for the needless drive that you had to Griffith; hopefully you had a good lunch or something! I thank you for appearing before the Committee today. You will each be provided with a copy of the transcript of today's proceedings for corrections.

Committee staff will also email any questions taken on notice and any supplementary questions from the Committee. We kindly ask that you return your answers within seven business days of receiving those questions. That concludes the public hearing for today. I again place on record my thanks to all the witnesses who appeared today. In addition, I thank Committee members and the Committee staff, as well as Hansard, DPS and the Streaming Guys for their assistance in the conduct of the meeting.

**(The witnesses withdrew.)**

**The Committee adjourned at 14:55.**