

**REPORT ON PROCEEDINGS BEFORE**

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

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

**At Jubilee Room, Parliament House, Sydney, on Tuesday 2 December 2025**

**The Committee met at 2:00.**

**PRESENT**

Mr Roy Butler (Chair)

Mr Warren Kirby

**PRESENT VIA VIDEOCONFERENCE**

Mr Stephen Bali (Deputy Chair)

Mr Justin Clancy

Ms Charishma Kaliyanda

Mr Richie Williamson

\* Please note:

[inaudible] is used when audio words cannot be deciphered.

[audio malfunction] is used when words are lost due to a technical malfunction.

[disorder] is used when members or witnesses speak over one another.

**The CHAIR:** Good afternoon, everyone. Welcome to the public hearing for the Committee on Investment, Industry and Regional Development inquiry into the impacts of the Water Amendment (Restoring Our Rivers) Act 2023 on New South Wales regional communities. Before we start the hearing, I would like to acknowledge the Gadigal people, the traditional custodians of this land. I pay my respects to Elders past and present, and extend that respect to other Aboriginal and Torres Strait Islander people who are either present or viewing the proceedings on the internet.

I am Roy Butler, the Chair of the Committee on Investment, Industry and Regional Development. I'm joined by my colleagues Mr Stephen Bali, the Deputy Chair and Member for Blacktown; Mr Justin Clancy, the Member for Albury; Ms Charishma Kaliyanda, the Member for Liverpool; Mr Warren Kirby, the Member for Riverstone; and Mr Richie Williamson, the Member for Clarence, on AVL. Ms Maryanne Stuart is an apology. I declare the hearing open.

**Ms RACHEL MACKENZIE**, Chief Executive Officer, Berries Australia, before the Committee via videoconference, affirmed and examined

**The CHAIR:** Ms Mackenzie, thank you for appearing before the Committee today to give evidence. 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?

**RACHEL MACKENZIE:** I have, thank you.

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

**RACHEL MACKENZIE:** No, thank you.

**The CHAIR:** Ms Mackenzie, would you like to make a short opening statement before we begin with questions? We do ask that that's limited to 90 seconds, but you've got the floor for your time here, so you can take as long as you want. We will pull you up if it gets too long.

**RACHEL MACKENZIE:** Considering I've got a plane to catch, it will be pretty snappy. As you know, obviously water is one of the most precious resources that we have in agriculture. We need water allocations to be fair, we need them to be based on science and we need them to be easily understood. There are certainly some issues in relation to those particular attributes that were concerning us earlier this week. The current system in New South Wales is incredibly complicated. I certainly think that our growers are sometimes inadvertently noncompliant. Anything we can do to simplify the system and make it easier for people to be compliant, the better. Obviously we don't have a footprint in terms of berries in the Murray-Darling Basin. However, we do have 80 per cent of Australian production of blueberries in the Coffs region. Most of our production is in those coastal catchments, which have their own unique water challenges. We're obviously in a high-water time at the moment, but obviously that's the best time to be talking about what we do when water is scarce. Whilst it may surprise some, the position of Berries Australia—I'll wait until this announcement is over, sorry.

**The CHAIR:** Just so you know, we can't hear the announcements.

**RACHEL MACKENZIE:** Great. Essentially, in relation to water in the Coffs region—we have a lot of growers there—it can be a precious and contested resource. We have some growers who operate on schemes, and most growers utilise harvestable rights. We also have some growers who get free water from recycled water from Coffs Harbour council, and there are concerns around how that water is wasted and not best used in the whole industry. Our view on harvestable rights is that an arbitrary number, whether it be 10 per cent, 30 per cent et cetera, needs to be based on science. Whatever number it is, it needs to be based on science because, as I said, certainty is really important.

If you have one government of one persuasion that says they think it shouldn't be over 10 per cent, and then the next one says it should be 30 per cent, and then they get a change of government and it goes back to 10 per cent, that is really challenging for a grower's investment and perspective. But if it's based on science then it doesn't fall victim to the winds of political fortune. So our view is that we are probably comfortable for it to remain at 10 per cent until there is a really evidence-based, catchment-by-catchment case to increase that amount so that it can be locked and loaded for the future. The industry contributes around \$500 million to the region. It creates enormous numbers of jobs in the Coffs region. It's a really important industry for that regional community.

**The CHAIR:** We will now move to questions from the Committee. Before we 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. If there's something you want to go away and do a bit of digging on or talk to some people about or gather some more information on, it's quite okay to take a question on notice and get back to us within the seven business days. As the Chair, I will put the first question to you, and I'll make it a really easy one. How did the reintroduction of a 10 per cent harvestable rights limit impact your industry?

**RACHEL MACKENZIE:** It didn't impact it at all because, if you recall, intensive agriculture was not captured by the 30 per cent increase, so it had no impact. I think, unfortunately, some of our growers didn't realise that they were not captured by the 30 per cent and may have made some poor choices.

**Mr RICHIE WILLIAMSON:** Rachel, I want to talk about the harvestable rights as well. I understand what you're saying about whether it should be 10, 15, five—who knows? Do you think there's an opportunity for the Government to explore a differing scale of harvestable rights? And can I put some context around my question. At the moment, up here, I'm next door to Coffs. We're next-door neighbours. You could literally take 100 per cent of the rainfall because there's so much of it. Everything's full. We're in a plantable situation. But, as it dries out, do you see the opportunity where that harvestable right could reduce as we go into a dry time but increase as we come into a wet time to manage run-off, which has the potential to lessen flood effects in some areas?

**RACHEL MACKENZIE:** We certainly wouldn't be against a science-based determination around harvestable rights that actually looks in a bit more of a nuanced way at some of those issues. I think that there's so many factors to consider. With the clearing of slopes, are we seeing greater erosion? Is that putting more sediment into the Solitary Islands Marine Park? Would we be better off capturing that water and using it productively for farmland? But then there's all sorts of stuff around the fact that, for fish nurseries and all of that kind of stuff, you need that freshwater inflow. I do have a water quality background.

**Mr RICHIE WILLIAMSON:** I hadn't noticed!

**RACHEL MACKENZIE:** I think that it's really important that we get the science right on this so we can give our growers certainty. We do have some social licence issues in that region, so I guess we really need to be able to stand by the science, put our hand over our heart and say, "Not only are we producing great fruit and driving economic growth in this region, but we're also good operators from all of those other social and environmental facets."

**Mr RICHIE WILLIAMSON:** I agree.

**The CHAIR:** Ms Mackenzie, you covered this in your opening statement a little bit, and I think your answer is just going to be based on science—that's the answer. What do you think the right percentage is? That can vary, obviously, based on the rainfall in the local area, but what do you think the standard percentage for a basic landholder right should be?

**RACHEL MACKENZIE:** It's so challenging because, one, those catchments are very short, high-flow catchments. They have some unique hydrological characteristics. I don't think you can make a blanket ruling around what is an acceptable harvestable right. I know that it costs money, and I know that it's challenging to get these things right. But it also costs money to flip-flop when you have a change of government, and it also costs money if we get it wrong.

**Mr RICHIE WILLIAMSON:** Rachel, I get your point around letting the science determine the harvestable right, and I have great sympathy and support for that. How does the Government better consult, or have you felt consulted, in the water space in general? If you haven't, what does consultation look like for your members?

**RACHEL MACKENZIE:** It's a great question because I think, as I said, one of the challenges is complexity. There are so many nuances to it that it's hard to know which conversation to engage in and how you can actually have a meaningful impact. We certainly were consulted around the harvestable rights issue, and we put forward the same position, which I think was perhaps a little surprising for some people in the consultation. But I think we've been vindicated by what's happened subsequently.

Again, this is coming back to my job that I had 20 years ago. I actually went around the country consulting on the National Water Quality Management Strategy. It has to be done community by community and catchment by catchment, and everybody needs to have a shared vision of what they think are the important uses for that water. We need to have a really clear understanding that there are trade-offs, because you can't have everything. You can't necessarily swim in the Brisbane River. Do you know what I mean? It has other really important uses. It's not an easy task, and I think that my view, operating nationally, is that New South Wales is great at making rules and not really great at enforcing and educating. I think building the community—and I mean everybody in the community—about this shared resource, which is water.

**Mr RICHIE WILLIAMSON:** Rachel, you've made some comment there about the Government being good at making rules but not at enforcing them. Are you advocating for a stronger enforcement policy around water and harvestable rights on the east coast? We're different, I think, over the range.

**RACHEL MACKENZIE:** At this point NRAR has been pretty active, but I think that's been a consequence of community pressure. Like I said, some of our growers have fallen foul of them. We always have a policy that we support the decision of the regulator, and if someone is doing the wrong thing, then they need to be taken to task for that. I think the challenge is just that the sheer complexity of the rules makes it sometimes hard for people to be compliant, so they just kind of switch off for the whole thing. I will say, since I've been in the role, NRAR has got a lot better at working with us. They let us know when there's going to be something happening in the media. We always say our position is that we support you, but at least then we're not kind of blindsided, and it doesn't feel like a gotcha moment.

**Mr WARREN KIRBY:** Mine is a question out of pure ignorance. Is it the same water harvest rules and regulations east of the Great Dividing Range as it is west? We've had a lot of people talking about the water buybacks and the need to make sure that the Murray-Darling is maintained and flows are adequate there. But

we've also heard testimony from somebody on the eastern side of the range, where the water patterns and the rainfall patterns are very different. Is there a difference between the buyback scheme on either side?

**RACHEL MACKENZIE:** I actually don't think I'm the right person to ask that question of. We actually only operate on the coast, so I'm not particularly familiar with the schemes that operate on the other side of the dividing range.

**Mr WARREN KIRBY:** In terms of capturing and storing the rainfall run-off, what do growers in the berry industry see as a sustainable take for that? Is that everything or is that just a limited amount?

**RACHEL MACKENZIE:** I did sort of answer this previously. Essentially, our view is that you keep this on a catchment-to-catchment basis. They're really short hydrologically unique catchments. There's no magic number, and unfortunately we need to do the science to back up whatever number we land on. But what I want to make sure everyone understands is that berry production is an absolutely legitimate use of water, a high-value use of water, and that we absolutely need to be considered in any conversation around how water is distributed in those regions.

**Mr WARREN KIRBY:** What is the average or the built-in business model for wastage within the berry industry? Is it 10 per cent or 15 per cent or 5 per cent of what you grow is not suitable for market, for whatever reason?

**RACHEL MACKENZIE:** I'm not sure I understand the question in relation to the—

**Mr WARREN KIRBY:** In all cases of growing product, some of it—we've all seen the campaigns from the different major supermarkets where they only put the premium product on the shelf, and there is a lot that doesn't get taken up and has to be either wasted or re-used in a different way. What is that in the berry industry?

**RACHEL MACKENZIE:** It varies incredibly. For example, this year we've been 30 per cent down on production due to wet weather impacts, which means that I would say there's been almost no loss, except for poor-quality fruit that gets frozen. In other years where you've got high volumes, the retailers get a whole bunch pickier and there is perhaps more wastage. But we are not a massively high-producing industry per se, so we probably have less wastage than perhaps some other commodities because we're on a pretty big equilibrium between supply and demand.

**The CHAIR:** Ms Mackenzie, thank you very much for appearing before the Committee today. You'll 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—I don't think there were any—and any supplementary questions from the Committee. We kindly ask that you return those answers within seven business days of receiving those questions. Thank you very much for your time.

**(The witness withdrew.)**

**Mr PAUL SHOKER**, Farmer, before the Committee via videoconference, sworn and examined

**The CHAIR:** I welcome our next witness. Mr Shoker, thank you for appearing before the Committee today to give evidence. Can you please confirm that you've been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

**PAUL SHOKER:** Yes.

**The CHAIR:** Would you like to make a short opening statement before we begin the questions? In the interests of time, we normally try to limit that, but you're the only witness we've got on this panel, so if you'd like to take some time to give us an opening statement, you're welcome to. If you don't, we can move straight to questions.

**PAUL SHOKER:** I'm happy to give an opening statement. I will be fairly brief. I am a horticulture producer based in Coffs Harbour. We grow bananas and avocados. Our family has been growing these crops for the last 35 years. In a previous life—still, in some capacity—I've been a director of NSW Farmers. I still remain a member of the horticulture committee, and currently secretary of our local branch. From a farming point of view, we are predominantly dryland farmers. We have some small irrigation and we do have water interests, and smaller water holdings. I guess my interest, like the interests of a lot of people, is ensuring that we have secure, reliable water sources, particularly for coastal farmers where we don't get a lot of attention on those issues, and that's why I was happy enough to appear before this hearing.

**The CHAIR:** Great, thank you very much. Before we begin the questions, I inform you that you may wish to take a question on notice and provide the Committee with an answer in writing. If you'd like the opportunity to go away and gather some information or talk to someone, you can do that. Mr Shoker, in terms of capturing and storing rain on properties—and this could be wearing your NSW Farmers hat or it could just be wearing your own hat as a farmer—what do you see as a sustainable level of water take in terms of basic landholder rights?

**PAUL SHOKER:** From my point of view, it has been a frustration that for the best part of 15 years we were lobbying to see, especially in a coastal setting, the harvestable rights increase from 10 per cent to 30 per cent. Some landholders believe they should capture 100 per cent, but 30 per cent has been a long-held policy of the NSW Farmers Association. My own personal view is that I was happy to support the 30 per cent. The frustration lies with the fact that we live in a great climate with a lot of rainfall. We average 1,600 millimetres of rainfall in Coffs Harbour, yet we are very limited in how much we can harvest. We are literally, as the crow flies, two kilometres from the Coffs CBD. Rainfall that falls in the main Coffs CBD catchment has approximately four hours when it falls at the top of the catchment before it goes into the ocean, so there are limited opportunities to capture water.

Increasingly, we are finding rainfall is rather hit-and-miss. This year, for example, we had a dry start and then we had Cyclone Alfred and heavy rain in May, and then we went through another dry spell. Water management, whether it's through dams or water storage, is essential to ensure that we can effectively ride out those drier periods. We do have other issues, particularly where we are, because the terrain is quite steep. Pumping costs are excessive. We hear a lot of coverage about domestic power users, but we face similar issues with pumping water uphill.

The restrictions around how much we can capture and how much we can use—the rules governing water—are a big handbrake on industry. They are a big handbrake on the development of agriculture, particularly in our coastal regions. The great sadness I see is that we've lost a lot of opportunity, particularly with how we manage water. In my lifetime, New South Wales was the biggest banana-growing State in the country. We're barely on the map nowadays. We were a major avocado-growing region. Everything seems to move north. I'm sure the member for Clarence can also agree that New South Wales was, at one point, the biggest macadamia-growing State. We've just been surpassed by Queensland. We currently grow 70 per cent of the national blueberry crop but, increasingly, there are more plantings going in in Queensland. The regulatory framework, whether it's land management or water, is more favourable in Queensland. In New South Wales, we are an expensive jurisdiction to do business in, and we face a lot of red and green tape in seeing agricultural projects through.

The other bit of frustration has been that in recent times we've seen a great expansionary vision for development in Sydney, which is good—more housing and even proposals to turn some racetracks into homes. But in the regions, we seem to be going backwards. We are restricting the use of natural resources, whether it be timber products or water use as well. It's almost a two-tiered situation where the green light is on for Sydney and in the regions we are seeing, increasingly, restriction on trade. One example is that the previous Government had

announced 30 per cent harvestable rights, which we've been lobbying for a long time for, and then within a couple of years that was wound back, not understanding the unique situation we face on the coast.

**Mr RICHIE WILLIAMSON:** Thanks for your evidence today, mate. Do you think it would be possible to perhaps work on a sliding scale with regards to harvestable rights instead of having a hard figure of 10 as we have now? Previously we had 30. That's with the view of keeping storages fuller as we move into a dry time. Of course, when the dry times come, pumping restrictions would kick in on the Orara River—which we're both familiar with, I'm sure. Do you think that makes at least some sense to explore? Whether that's possible or not remains to be seen, but do you think that is something that could be looked at?

**PAUL SHOKER:** I guess the first thought would be there's at least an increase potentially there. How you would administer that and how you would regulate that probably becomes a bit onerous. It's not something that I've thought of, but it's something that definitely could at least be trialled. But we are finding that there's a lot of uncertainty in that space. When there's uncertainty—for example, when it comes around investment rules, we talk about sovereign risk. Corporations need clarity around investment. Farmers similarly need a regulatory environment which is stable. It seems like wins take decades, but then things are pulled out quite quickly. What it does is people just simply don't invest. They're like, "Okay, New South Wales is too hard to do business in. We'll go into another environment where things are easier."

In terms of your original question, I can see some merit to that. But, at the same time, farmers would probably largely have a view of they're building infrastructure for a private use. I guess they'd question why they would do it if they would potentially lose that water in a drier period. The other thing I am mindful of is that we have to look at water storage in a more holistic sense. Not only is it providing for food and fibre, but it's also critical in emergency management. I remember during the 2019-20 Black Summer bushfires, I had a fair bit to do with our Nambucca branch. The bushfires weren't put out by some magical source of water that the National Parks had; it was actually put out by water sources that were on private properties—water that was taken from dairy farms, who obviously had not much water on hand either.

There's a frustration that farmers and private landholders are also carrying that burden for putting out fires by having water sources available for those authorities as well. At the moment, National Parks don't have any water sources that they build for fighting fires. They are generally coming onto private property to get that water and fight those fires. With a lower harvestable right, you are potentially losing that water out to the sea. By having that higher harvestable right, you potentially also serve that purpose of allowing some of those fires to be fought with water that's available as well.

**Ms CHARISHMA KALIYANDA:** Briefly, flowing on from what you've mentioned, Mr Shoker, what do people in your industry see as a reasonable or sustainable level of water take?

**PAUL SHOKER:** Generally the view has been around that 30 per cent mark. Keeping in mind—I recall when Minister Rose Jackson did wind it back to 10 per cent. She said, "Oh, well, it was just the lack of scientific modelling", and this, this and that. I know under the previous Government there was a lot of modelling done to the point where we were frustrated by how much modelling was done. There was a lot of work done in that space around that 30 per cent, and it was wound back with very little evidence. I think the 10 per cent rule really shows a lack of understanding around the difference between west of the divide and on coastal streams.

Our issue here around water management isn't a lack of water; it's a lack of ability to hold water. If you go further—and I know you've been around other irrigation parts of the state and you've heard evidence from other farmers as well—their issues are different, their rainfall is different and their soil types are different. To have a one-size-fits solution for the entire state doesn't really work. Keeping in mind that when we are looking at a 30 per cent harvestable right, not every farmer is going to go out there and start building ridiculously large dams. You won't see a tripling in water holding across the state. What we will see is people who want to grow their businesses, want to take on additional opportunities—they would then potentially benefit from that.

Possibly less than even 10 per cent of rural landholders might look to do that. So it would be a small portion of people who would do that. But it would send a clear message that New South Wales is open for business in a rural sense. Not only that, there's a flow-on effect when farmers start to invest on their farm building water infrastructure. Local contractors are used. There is a flow-on effect there as well. I don't see many downsides to increasing the harvestable rights. But I do see, as a result of the reduction back to 10 per cent, some long-term effects. That is the fact that people simply go elsewhere.

**The CHAIR:** Mr Shoker, I wonder if you could explain what it's like having 1,600 millimetres of rainfall a year at a place like Coffs.

**PAUL SHOKER:** That's our average.

**The CHAIR:** When it's really going, what's happening?

**PAUL SHOKER:** The dams are definitely full and overflowing. It's hard to explain. Sometimes you can get it in a couple of events. Last couple of years, we've actually been close to double the average. Places like Dorrigo—not far from here, probably about 45 minutes west of us—they've seen, obviously, a lot of damage as well. We've seen what's happened in Taree. As I said earlier, our region is blessed with reliable rainfall. That's the reason why we can afford to be relatively dryland farmers. We're in an optimal position in the State to be growing food and fibre products along this coastal strip.

But if we can get the water settings right, I think you would see more plantings, more production. Keeping in mind also—I've had a fair bit to do with our dairy farmers around the region as well, whether it be the North Coast or even the South Coast. They're crying out for the same thing as well. We're in a critical situation when it comes to dairy supply—not only the number of dairy farmers left but also how much milk we produce. Dairy relies heavily on water as well. There's definitely that pressing case for dairy as well.

**The CHAIR:** For the benefit of everyone who's listening, Mr Shoker, how often do you see heavy rain in Coffs Harbour? How often do you see decent rain events?

**PAUL SHOKER:** We could have most of our rainfall through a handful of events. Particularly in a place like Coffs Harbour, you will have most of your rainfall in autumn, so summer, autumn—very dry winters. We might have two-thirds of our rainfall by winter; historically dry winters; hot, dry springs; and then storm season October, November, December—you might jag a little bit of rain. Then usually we get a bit more rain towards the end of the year. That rainfall, historically, falls in a small window and we can obviously have events. Flooding in May was unusual, but it can happen. Our rainfall can be quite hit-and-miss and that's where historically irrigation has filled those gaps.

We are seeing in our region—interestingly, for example, the blueberry industry is quite a large player here. They are an efficient user of water. They use drip irrigation. For them, they again can grow crops here because we have that dry winter. You need dry weather when most of their fruit is flowering and budding. You need that dry weather, but you need water to turn that flower into fruit. They are able to successfully use water, captured in those wetter months, and irrigate in those drier months and then see those dams replenished when the rain returns once again. While we aren't like the classic North Queensland where there's a wet season and a dry season, there are definitely patterns there where we have a distinct wetter period and a drier period here.

**The CHAIR:** As somebody who lives on the other side of the Great Dividing Range with an average rainfall that's less than half of yours, I know the difference. I will just go back to Mr Williamson. I know he had some things he might want to revisit with Mr Shoker.

**Mr RICHIE WILLIAMSON:** Paul, I was wondering if you might have a report that you could send me in the right direction to find about what the economic costs of a harvestable right of 10 per cent might be compared to other States? Obviously from the evidence you've given today—if I'm framing your words incorrectly please let me know—you're alluding to there being an economic disadvantage for New South Wales with a harvestable right of 10 per cent. Is there anywhere you could point me, or something that you could maybe suggest I could google for? Has research been done that would outline New South Wales's disadvantage in the farming sector due to this 10 per cent harvestable right policy?

**PAUL SHOKER:** I think I would have to take that on notice and maybe get back in touch with you. NSW Farmers does have an in-house economist. Maybe that might be some work to do. But the shift towards particularly Queensland has happened for a number of reasons: Land is generally cheaper; there is more land available; land clearing is generally easier; and also water—water rules are being [inaudible] as well. It's ironic that food production is increasingly going further and further away from where people live. Whilst you might get a win for the environment on, "Okay, we've got more water for the environment," you're having to have more food miles in getting that food to the population as well.

**Mr RICHIE WILLIAMSON:** I think you may have alluded to almost none when the policy was reversed. What consultation would you be looking for, moving forward, in this water space in general terms? What would you be looking to be consulted on?

**PAUL SHOKER:** There is a bit of consultation fatigue. I know it's ironic in the sense that I've mentioned that there was a lack of consultation, but I'm finding a lot of farmers are just being worn down. I'm not one who was at the forefront of this fight for harvestable rights at the start. There are people who'd been advocating for 30 years on this issue. People in the Nambucca were very active. People around your area, in the Clarence, are very active. It's disheartening when these people find that they've spent 30 years going through consultation and providing evidence and then things are pulled away so quickly. I'm sure farmers would appreciate the opportunity

to again provide evidence, whether it's workshops or meetings on the ground, but there is a bit of a loss of faith there in the process.

It does also come to an issue of property rights. I know a number of landholders who went ahead with or had plans to build infrastructure to capitalise on those new rules. When things are pulled away quickly, it has a material impact on your valuation of your land. For example, if you are in Sydney and you had a DA and it said, all of a sudden, that you can put a second storey on your house, then you're looking at your numbers and going, "Okay, that values that house at X amount." Then the Government says, "Wait a minute, no. You've lost that entitlement, and you can no longer do that." That's essentially a situation where you've lost some ability to value-add to your land. I think that one thing that is not taken into consideration is that your land, all of a sudden, is worth less.

There was one property I was familiar with, probably 20 minutes north-west of Coffs Harbour, where this gentleman had placed his property on the market. It had substantial dams on it. I also happen to know the person who bought the place. All of a sudden he was looking at it and going, "This rule change is coming into effect. Am I going to be impacted?" I think that one of the shortcomings of these sorts of decisions, which are based on no consultation, is that we don't understand those impacts. I know at the time there was a bit of controversy around whether the Minister had or hadn't consulted with the NSW Irrigators' Council or NSW Farmers. There may have been a chat about doing this, but definitely at a grassroots level. Changes in the opposite direction happen very quickly, while changes in a positive direction, from a farming point of view, don't. You'd almost have rocks in your head if you were to invest long term in building water infrastructure on farms in New South Wales with that sort of environment.

The other bit I forgot to mention—I mentioned that it plays an important part in firefighting, but dams are also important in flood mitigation if we look at the other extreme of the drought situation. In Coffs Harbour, for example, the State Government, probably 12-plus years ago, gave tens of millions of dollars to our local council to build retention basins. If you have flood events, you hold back some water and then you slowly release that water. On the same catchment, there were farmers who were looking to build dams and were denied the ability to build private dams because they were exceeding their harvestable right. The farmers in the landscape can play a critical part in not only bushfire management but also flood management in towns like Lismore and big catchments like the Clarence, Macleay and Manning rivers. If farmers were encouraged to build water storage, there is an opportunity there to also help limit some of those flood risks.

**Mr WARREN KIRBY:** Mr Shoker, can you expand a little bit on the response you gave to Ms Kaliyanda's question, where you mentioned that one size doesn't fit all?

**PAUL SHOKER:** Yes, sure. I guess it's because of the unique nature of where we are. As I said earlier, our rainfall is different. Our property sizes are also a lot smaller here on the coast. Where we are in Coffs Harbour, 100 acres is a big farm; where Mr Butler is, 100 acres is probably your driveway. Also, the formula that New South Wales water has, which is based on your rainfall, doesn't really work out for here. Again, we have smaller, more intensive industries—for example, horticulture, dairy and typically intensive agriculture. The water use for smaller holdings is often higher. That's what I'm really getting at: Our rainfall is different, our land size is different and our water use is different. We don't use flood irrigation. There are some people who use travelling irrigators. But, generally, we are putting on water in an efficient manner because we don't have much of it to start with.

Generally, the crops that we are growing are higher value. If we can differentiate between the west of the divide and have favourable policies—the other point I also mentioned was that our rainfall flooding does not hang around. For example, in late May we had floods, and five to six weeks later we were desperate for more rain. If you had that sort of rain west of the divide, you'd be good for almost 12 months. In our situation, our soils, particularly where we are, don't hold water that well. It's more a profile of topsoil with a claypan and our soils dry out quicker, so for that reason we don't have that ability to hold water. Somewhere like the Liverpool Plains, you might have six metres of topsoil and the ability to hold that water for six to eight months. So that's one of the challenges we face.

**Mr WARREN KIRBY:** What would you say to somebody who is saying that a higher level of harvestable rights is unsustainable and that it'll negatively impact coastal ecosystems, so we need to have it at this rate. What would your response be to that?

**PAUL SHOKER:** I think the urban setting is probably a greater risk to the waterways, as far as I'm concerned. A lack of a proper sewer in many parts of our region is probably a bigger concern. I don't hold the notion that if you were to flip all the harvestable rights, all of a sudden our waterways would be under great stress. Again, a water storage device—building a dam—is not a cheap exercise, so only a set few farmers would ultimately look to capitalise on any change. I've got farmers upstream from me. They've built bigger dams. There

is little impact on down-water users of that. Eventually, all the dams fill up and all the water goes down out to the sea. I would think that there'd be a very minimal impact on the environment and other water users.

Also, aquaculture and people on the rivers, I'm mindful of them and the potential impacts there of increasing the harvestable rights. But, again, we are not going to see every farmer on every catchment all of a sudden tripling their water capacity. I don't think that's ever going to happen. For that reason, I'm confident that at 30 per cent there'll be a minimal impact on water users, on the environment and on the down-flow stream as well.

**The CHAIR:** If no-one has any further questions, I thank you, Mr Shoker, for appearing before the Committee today. You will be provided with a copy of the transcript of today's proceedings for corrections. Committee staff will also email any questions taken on notice—there was one today—and any supplementary questions from the Committee. We kindly ask that you return those answers within seven business days of receiving those questions. We really appreciate your time and your information as a witness.

**PAUL SHOKER:** Thank you for the opportunity.

**(The witness withdrew.)**

**Mr CHRIS MAGNER**, Chairman, Richmond and Wilsons Combined Water Users Association, before the Committee via videoconference, sworn and examined

**The CHAIR:** I welcome our next witness. Thank you for appearing before the Committee today to give evidence, Mr Magner. 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?

**CHRIS MAGNER:** I have.

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

**CHRIS MAGNER:** No.

**The CHAIR:** Would you like to make a short opening statement before we begin the questions? We normally try to keep it to a couple of minutes, but you've got 30 minutes on the agenda, and you're our last witness for today, so you can take as long as you'd like to give us an opening statement.

**CHRIS MAGNER:** I'm chairman of the Richmond and Wilsons Combined Water Users Association, which is an umbrella group over about eight small water user groups on the Richmond River. I'm also a member of the NSW Irrigators' Council, which we are affiliated with. There are a number of issues that I would like to raise. Looking at the topic that you ladies and gentlemen have been given a brief to investigate—mostly looking at the Federal issues coming through the Murray-Darling and how that has affected them, the follow-through of those decisions has been dramatic also on the coast. Even though we don't have to comply with Federal rules or any of that is perceived, the rules that are made then by the State Government are followed through mostly onto the coast. So it has had a dramatic effect over the last six years, in particular, of changes to things that are happening on the coast. Ever since we had the *Four Corners* program that looked into water theft, that kicked off then—we had the Matthews report that looked into all of the inland.

I read both Matthews reports—he had two reports—and there was not one word mentioned in there about the coast. The whole investigation that Mr Matthews did was all on the inland, yet the ramifications from that report have carried through to the coast in a significant manner. I could go through some of the details of that if time permits. The first is on the change to the metering rules. I come out of the unregulated section of the coast. Here on the Richmond, we've got a small regulated system on Toonumbar; the vast majority of the coast is also unregulated. There was never any metering on the unregulated. We were always working off our water sharing plans for our cease to pump rules and off our logbooks.

I'm not opposed to metering, but I don't believe we're going to achieve any gains for the environment, any gains for water quality or any gains for water volume accessible to anybody else by putting meters in, because of the very small amount of usage that is used on the coast. It's only used in dry years. Most of our years are too jolly wet anyhow. I was quite interested in listening to the previous speaker, who described it fairly well. Without me going into the detail, I support exactly what Paul just said with regard to the amount of water that we get here on the coast, as opposed to the inland.

One of the big things that has changed with those metering rule changes is water trading. We've had water trading since 2000 with the new Act. But water trading on the inland—and I've got a lot of information here that is from my colleagues, especially up in the northern parts of New South Wales, on trading variances. At the moment water is trading up to \$7,000 a megalitre in some places for general security water. Here on the coast, we're having difficulty in selling water at any price. Very few buyers are about; it's very difficult. But one of the biggest issues out of it is the restrictive trading that we have on these small river systems.

Just take the Richmond here alone as an example. On the Richmond, our river's broken up into 24 different water sources. Of the management zones that are the trading zones, there are 14 unregulated and two regulated. There's a clause in the National Water Initiative which overrules all of the water sharing plans—it's basically the grandfather of the water sharing plans—and it says that there should be free trade between interconnecting streams. We've got anything but free trade in the interconnecting streams on the coast. Therefore, the value of our asset, which is our water licences, has been reduced dramatically. I believe that we are paying a severe penalty for being on the coast as opposed to what our cousins on the inland are experiencing. I put a lot of that in my submission that you would have a copy of.

The next one that I really want to talk about, Paul has already described pretty well as the harvestable right. Over on the inland, they've got floodplain harvesting on top of any harvestable right. There is no floodplain harvesting on the coast. Therefore, I saw the harvestable right as an essential asset for people who didn't have access to good, reliable water. Somebody like myself, who sits on the banks of the Richmond River in the tidal zone, which works on the ninety-ninth percentile cease to pump, doesn't really have a problem accessing water.

For those people who own property that doesn't have access to water, I saw the 30 per cent harvestable right as being an absolute essential.

I was on a committee that was put together by the previous Government. It was an industry advisory panel looking at developing an assessment tool for how to look at each of the valleys after the granting and whether or not it was going to be appropriate that each of those valleys could continue with 30 per cent. The intention was that if there were areas within valleys that couldn't sustain it, they would look at bringing that back to a different figure. That body was abandoned by the current Government on the election of the new Government. They're looking at a process now which is talking about assessing the sustainable yield of each valley. That has basically stalled. It seems to be going nowhere. I asked the Minister about it only a few weeks ago at the New South Wales Irrigators' Council general meeting, and she really couldn't give me a date or anything when we would be seeing any action coming from that sustainable yield assessment for the coast.

The Richmond River was going to be used as a pilot, and that doesn't seem to be happening. I don't know how many more years we're going to have to wait until this sustainable yield can actually be developed. The dilemma that we have, then, is that, as Paul just described, there are industries and farmers who are looking for water who would most definitely benefit from it, but this would be a very small number of the overall people. One of the problems with the sustainable yield assessment is that they would be introducing a calculation that everybody would take up, but that's not going to be the case at all. It's going to be a very, very small number. Those who take up the 10 per cent is only about 5 per cent of the overall population of farmers.

The other couple of issues that I would like to discuss that came out of that Matthews report was the development of NRAR. They're becoming a stronger body as opposed to WaterNSW. We've seen recently 300 people removed from WaterNSW, yet NRAR appears to be growing dramatically if we look at the IPART finding for how much funding they're going to get. Coming back to one other issue there—education. The IPART has recommended, with regard to the metering policies, that the education process be completed for the coast. I've seen a couple of webinars. Last week they ran a couple of webinars on metering. One had an attendance of 18 and the other had an attendance of eight. This was for the entire coast. I would probably stop there. I have a whole heap of other issues that I would like to raise, but I'll go for questions.

**The CHAIR:** Those issues may come out in the questioning anyway. We'll now move to questions from the Committee. Before we 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. If you have something you want to duck away and find some additional information for or have a chat with someone about, you just let us know that you want to take it on notice and that will be fine. As the Chair, I'll put the first question to you. This is the same question you would've heard us ask other people. What's the right number for a sustainable level of water take under basic landholder rights on the coast?

**CHRIS MAGNER:** I am quite supportive of the 30 per cent, given what I have just said—that it'll only be a very small number of people who take it up and those who do take it up will need access to a reasonable volume of water, and therefore I totally support the 30 per cent.

**The CHAIR:** I look to my Committee members. Just so you know, Mr Magner, I have Mr Warren Kirby, the member for Riverstone, with me in Parliament; and online I have Mr Stephen Bali, the member for Blacktown; Ms Charishma Kaliyanda, the member for Liverpool; and Mr Richie Williamson, the member for Clarence. The questions could come from people online or from here in the room.

**Mr WARREN KIRBY:** Thank you for joining us today, Mr Magner. I just wanted to unpack something you mentioned in your opening speech—that only about 5 per cent of farmers are taking up the 10 per cent harvestable rights. Does that mean that 95 per cent of the farmers in coastal regions are not affected at all by this?

**CHRIS MAGNER:** Most of them don't need to take up the harvestable right because they have access to reliable water, either through a groundwater source or a river or creek or some form of stream or lagoon or dam, the registered dam. There are other methods that most people have already got in place.

**Mr WARREN KIRBY:** Does that 95 per cent who are not using the rights equate to 95 per cent of production or is it that the 5 per cent who are negatively impacted by the restriction of 10 per cent make up a large portion of produce, or larger proportion of produce?

**CHRIS MAGNER:** By cutting it from 30 per cent, for those who are affected there is a tremendous impost. The calculation that's being done by the department—that we would be taking up all of the allocation and that's why they want to put that into the sustainable yield assessment—is fictional because it would only be a very small number of people. As Mr Shoker expressed there a while ago, the industry people who really need it are being affected dramatically, but those who don't need it are not going to be affected at all because they just don't need it to be there.

**Mr WARREN KIRBY:** Just to elaborate on something from your submission, what are the issues that you're experiencing with the New South Wales Government's approach to explaining metering requirements for water users?

**CHRIS MAGNER:** It's inefficient. The way that they should be doing it, I believe, is doing town hall-type meetings face to face. The online system—they're not getting a response to the online presentations. Those presentations are quite good. I'm not complaining about the information or anything like that that's coming on the online presentation but the fact that people are not participating and they're not getting the message out there. Either people are too jolly busy to be getting online at the time that it's on or they're not even getting the word that it's on.

It needs to be well advertised and face to face, so people can sit in a room and listen to the questions being asked—not a drop-in session where they keep everybody separate from each other. In a drop-in session, you just sit down with one person, and there are a lot of people who don't know what they don't know. They don't know what questions to ask. They need to be sitting in a group of people, hearing somebody who may have a little bit more knowledge ask a question, and then they all get the answer that they didn't even think that they were involved in. It needs to be a face-to-face, town hall type meeting, where they can sit down and address the public.

**Mr RICHIE WILLIAMSON:** Chris, thanks not only for your written submission but also for your time today to give evidence to the Committee. I've asked the same question to the other witnesses today, regarding the possibility of developing a sliding scale when it comes to harvestable rights. At the moment, things are pretty good; you could probably have the 30 per cent and keep more water on farm for longer. But as a dry time arrives, the Government would use a formula to say you can only take down to 10, or even, as I think you might have alluded to, use the stop pumping orders that exist on our coastal rivers. Is that something that has potential to be explored, do you think? If not, so be it, but I just thought that now is the time to flesh that out, perhaps.

**CHRIS MAGNER:** Yes, Richie, there's potential for looking at variations for all aspects of water extraction, not just the harvestable right. But where I am, as I said before, I'm on the ninety-ninth percentile cease to pump. I'm in the tidal pool. I've got access to the best supply of water in Australia because of the nature of the construction of the tidal pool of the Richmond River. It's such a long, narrow river that we really don't see salinity coming up for quite some considerable time in a drought period, whereas other sections of our river here, in the upper reaches of the river, will be on a much higher cease to pump ruling than us. They'll be, some of them, on the seventieth or seventy-fifth percentile. Those areas haven't got water when they need water.

Therefore, a capturing of high volumes of water that we have here the vast majority of years—we've had well over two metres of rain here this year. If we get another few wet weeks, we could probably be getting close to three metres of rain. It's just incredible the amount of rain that we've had and the potential for a number of years being like that. However, storage, as we've just seen in a number of reviews that have been done by the Government—we've had the CSIRO report wanting to put in airspace retention facilities so they can try to have flood mitigation; we've had the future requirements for the Far North Coast urban water investigation going on—all looking at how they can store more water.

Agriculture has to look at how it can store more water. It's not a matter of trying to find the worst-case scenario, because what we've got to look at is harvesting the water when there is a surplus and not harvesting it when we're in a shortage of water. That's when you can turn around and pump it back out and use it. There should be a dramatic turnaround in the way we're looking at our gifts that have been given to us, which is water, and not wasting it. I'm sorry, but the way we're going at the moment is just letting it go to waste on the coast.

**Mr RICHIE WILLIAMSON:** Metering on some of our streams and rivers across catchments, particularly in the north-east, is in some instances relatively new or extremely new. Could you provide any advice on how you see the metering systems that have been introduced to be a benefit to the environment?

**CHRIS MAGNER:** I don't see a massive gain at all for the environment. The cease to pump rules stop people from pumping when we are getting into a period of short water supply. If we come down each coastal river, they are staged down, and, as I said before, there's all this great variation of management zones. Each river is the same as that—they're broken up into all these management zones. Therefore to affect the environment—I think that was resolved many years ago when we implemented the cease to pump rules. I think the idea of the metering—and as all the experts will tell us, "You don't know what you're using unless you meter it and measure it." The amount that we use here as compared to what we're actually licensed to use—I've got 530 megalitres, I think it is, on our licence. We're allowed to use twice that much in any one year under the water sharing plan. If we have one dry year in 10—and in the last 20 years we would be lucky to use 100 megalitres in any of those dry years, so, environmentally, I don't see the water use on the coast as being a dramatic issue at all.

I don't see the meters achieving much, other than fitting the bill that has been given to it by the government through bureaucrats who wanted to see metering everywhere. All it's doing is adding the cost of putting in the meters. The way the thing is structured at the moment is that if you've got a pump smaller than 100 millimetres on the discharge side, then you don't have to meter, irrespective of how many megalitres you own. Yet they've got a policy to go down to 15-megalitre licences by 2027. I'm not sure who they're trying to capture because the vast majority of those people will come in under the exemption of the 100-millimetre pump. I really have a problem—I'm not real sure what they're trying to achieve. Environmentally, I don't see metering achieving much. I can see a tremendous cost to the landholders, the licence holders. The logbook system has been working very well. I think it's just a Big Brother thing that is being imposed on us. It's all come from the Federal problem and the problem from the inland where there was perceived to be a massive water theft issue. I don't see it over here.

**The CHAIR:** I would like to thank you for appearing before the Committee today. You will 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 these answers within seven business days of receiving those questions. Thank you very much for your time, Mr Magner. We appreciate you taking the time to share your knowledge with us as part of this inquiry.

That concludes our public hearing for today. I would again like to place on the record my thanks to all the witnesses who appeared today. In addition, I'd really like to thank the Committee members and staff, Hansard and the staff of the Department of Parliamentary Services for their assistance in the conduct of the hearing. We wouldn't have hearings without Hansard, the secretariat and parliamentary staff.

**(The witness withdrew.)**

**The Committee adjourned at 15:25.**