INFORMATION SHEET

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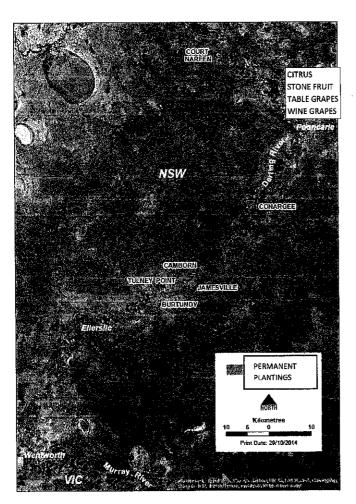
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Proposal for the Removal of Permanent Plantings from the Lower Darling River Valley

Lower Darling Horticulture Group Pty Ltd Updated Dec 2015

Who is the Lower Darling Horticulture Group?

- A group of 10 families operating 6 family farms between Weir 32 downstream of
 Menindee and the upstream influence of the Wentworth weir on the Murray River.
- The 6 irrigation farms include all of the permanent plantings in the regulated Lower Darling water source (326 hectares) with collective high security entitlements of 1,159 megalitres (ML).
- The group was constituted in January 2015 to represent the common interests of the irrigation families in the remake of the NSW Water Sharing Plan, implementation of the Basin Plan and the Menindee Lakes Water Savings Project and in addressing immediate and recurring water shortages.



Permanent Planting
Properties below
weir 32 & above Murray
influence on the Lower
Darling river



To what extent has the security of supply reduced?

- The rules surrounding the Menindee Lakes Scheme were originally agreed in 1963 to
 effectively provide two years of drought reserve for far-west NSW. In recent years it
 has been demonstrated that there is only one year of drought reserve.
- The Menindee Lakes is becoming a significantly less reliable water storage for irrigation and can be expected to be in drought reserve more frequently due to;
 - Upstream development since the 1970s
 - reduced storage capacity in the 1990s to prevent foreshore erosion and to protect Aboriginal burials (2,285GL to 1,700GL at full supply)
 - shepherding of upstream environmental flows
 - Future increased release rates to meet objectives of the Living Murray and Basin Plan
 - Reduced drought reserve triggers proposed in the Menindee Lakes Water
 Savings Project.
- The Lower Darling had continuous flow from 1943 to 2003. Since 2003 there has been two extended periods of no flow (2003-04 and 2006-07) and a third began May 2015.

Last remaining water hole at Lelma Station near Pooncarie 2003

Bed of the Lower Darling River at

Burtundy Weir 2007
Right - Strachan Girls - Tulney Point Station
Below - Burtundy Weir 2007





What are the aims of the Lower Darling Horticulture Group?

- Preferred outcome is for the NSW government to renegotiate through the MDBA changes to current agreed operations at the Menindee Lakes to reinstate the originally agreed two-year drought reserve
- If the preferred option cannot be met, then for the Commonwealth and NSW governments to support the Proposal that would enable existing permanent plantings to be removed and to establish irrigation enterprises using general security water entitlements
 - the families have been in the region for generations and want to retain their properties, continue with irrigated agriculture and continue to be part of the local community.



April 2012 Lower Darling River at Tulney Point Station

Menindee Lakes flooding 110% surcharged capacity 20,000ML/day @ Burtundy

What are the main elements of the proposal?

- The removal of all high value permanent plantings from the regulated Lower Darling River water source downstream of Weir 32 at Menindee.
- Transfer of all associated high security irrigation entitlements to the Commonwealth Environmental Water office
- Ex-gratia Commonwealth funding package to facilitate alternative farming activities including expanded grazing, cropping and irrigation enterprises using general security water entitlements

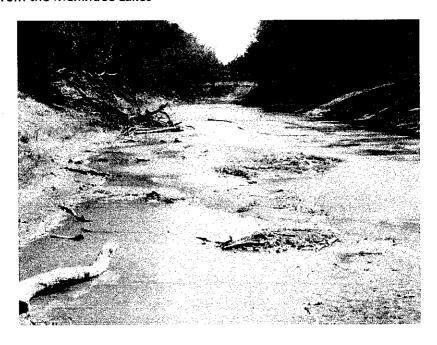
If the Proposal is agreed, what are the benefits?

i. For NSW irrigators

- the removal of any obligation to store and supply high security water for irrigated permanent plantings on the Lower Darling River
- Removal of the need to protect upstream flow events into the Menindee Lakes to support permanent plantings, particularly if Broken Hill receives an alternative drought water supply.
- strategic recovery of high security water entitlements to contribute to meeting Basin Plan Sustainable Diversion Limits
- Ability to maximise water savings outcomes of the Menindee Lakes Water Savings
 Project by not having to consider high security irrigation requirements downstream
 of Weir 32 removing a significant 3rd party impact.

ii. For the Commonwealth environmental water managers

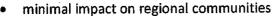
- increased capacity to deliver large volumes of water at high flow rates to meet Basin Plan objectives
- removal of significant constraint in delivery of environmental water entitlements from the Menindee Lakes

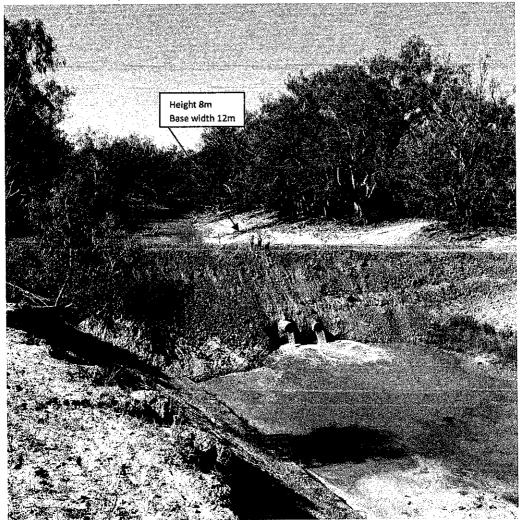


Reduced flows due to drought contingency measures downstream Burtundy weir September 2014

iii. For NSW government

 no need to undertake emergency water supply works required to extend water supply during increasing number of cease to flow events





Old Burtundy Station Block Bank installed January 2015 to protect permanent planting crops & stock & domestic water. Weir 32 ceased to flow 1 May 2015. Estimated Cost \$400,000

Listinated Cost 9400,000

Second bank at Jamesville Station at similar cost to government

iv. For the Lower Darling Horticulture Group

- maintain irrigation enterprises on the Lower Darling, diversifying into other activities not requiring high security water entitlements
- farm businesses remaining viable
- families staying in, and contributing to the local community

What is the Lower Darling Horticulture Group seeking from the Commonwealth Government?

- The Proposal seeks an ex-gratia integrated funding package that considers issues including;
 - Removal of existing permanent plantings
 - Loss of high value production
 - reduced farm values
 - Reconfiguration of existing irrigation infrastructure
 - Establishment of alternative irrigation infrastructure
 - transfer of high security water entitlements
 - Purchase of additional general security entitlements (both permanent trade and temporary inter-valley trade when conditions allow)
 - Redundancy and/or retraining of long-term staff
- The monetary value of the Proposal is to be agreed between the Lower Darling Horticulture Group and the Commonwealth Government and remain Commercial-in-Confidence.

Where is the package expected to be funded from?

- The Group would expect that funding could be made available from within the Menindee Lakes Water Savings Project
- Alternatively, funding could come from the MDBA Constraints Management
 Strategy, noting that the Constraints Strategy recommends that any removal of
 constraints on the Lower Darling River should be funded under the Menindee Lakes
 Water Savings Strategy.
- A component of the funding package could include Commonwealth funds available for the strategic purchase of water entitlements, noting that the proposal is not simply a sale of water entitlements.