

**Submission
No 29**

INQUIRY INTO WATER AUGMENTATION

Organisation: NSW Farmers Griffith Branch

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NSW FARMERS ASSOCIATION

Griffith Branch

Inquiry into the augmentation of water supply for Rural and Regional New South Wales

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Summary of Recommendations

That the NSW Government-;

1. Explore the construction of dams in general especially for flood mitigation
2. Work together with all agencies including the Federal Government and plan water augmentation for the next 50 years
3. Streamline water management and bureaucracy for efficiency, accountability and transparency
4. Review the Menindee question and provide a solution that has a triple bottom line outcome addressing the social economic and environmental issues
5. Reinstate “voluntary” contributions back to irrigators and regional rural communities
6. Review rules based watering urgently
7. Review water sharing plans
8. Commit to a more holistic approach to planning that genuinely engages local communities in the planning and design of their futures
9. Review inter-valley transfers, conveyance and loss accounts and Carry-over
10. Provide clarity around environmental water including environmental audit both at a State and Federal level
11. Review the sustainable diversion limits
12. Call for a change to the 2007 Water Act that provides equal balance to social, economic and environmental needs
13. Reject the Murray Darling Plan as unworkable in its present form
14. Review the criteria around opening allocations to enable irrigators to seasonally plan for their cropping program

Introduction

NSW Farmers Branch in Griffith represents more than 138 members across the Griffith area. Our members include horticulture, viticulture, dry land and large area irrigation farmers.

This document represents the views of NSW Farmer’s members and is highly critical of the NSW State Water Management. We believe that the NSW State Water management doesn’t provide a balance between social, economic and environmental factors.

Background

This is a formal submission on the augmentation, supply and management of NSW water from the Griffith District Branch of the NSW Farmers Association.

NSW Farmers have identified the following “must haves”

- ✓ Triple bottom line planning;
- ✓ A focus on outcomes, not numbers;
- ✓ A robust discussion about the management of the Lower Lakes and the Menindee Lakes
- ✓ Assurance that any risks associated with environmental watering are communicated and avoided
- ✓ A review of Governance issues
- ✓ Transparency and accountability for the management of water
- ✓ Timely and fair opening seasonal allocation

Location and History

Griffith is a city in south western NSW and contains around 16,182 people within the urban areas but services an area much wider of approximately 25,000 people.

Griffith was established in 1916 as part of the **NSW’s Government’s** Murrumbidgee Irrigation Area (MIA) project to supply irrigation from the Murrumbidgee River in western NSW to be used for farming. The main dam was the large Burrinjuck Dam between Gundagai and Canberra, which stored water to be released down the river for irrigation. Berembed Weir, near Narrandera, was built across the Murrumbidgee River, from which flows the Main Canal. The Main Canal flows through Griffith supplying water to the whole area and allowing the production of food for the whole state and nationally.

The supply was further enhanced with the construction of the Snowy River Scheme by the **Australian Federal Government** in the 1950’s and 1960’s. The Blowering Dam, a large dam near Tumut stores a significant amount of water to be released down the Murrumbidgee for the irrigation around Leeton, Griffith and the newer Coleambally area south of the Murrumbidgee and Griffith.ⁱ

Food Production

Rice - Almost all of Australia’s rice is grown in the Murrumbidgee and Murray Valleys in Southern NSW, and more than 1 million tonnes can be produced annually.

Up to 80% of Australian rice is exported to destinations all over the world and the industry employs and supports thousands of people in regional areas.

Griffith is an important rice growing region with its growers producing around 20% of total annual production. SunRice mills the rice to create nutritious foods, ingredients and livestock products.

Australian medium grain rice growers are the most efficient in the world. Using best management practices, they achieve the highest yields in the world, consuming 50% less water than the global average to grow one kilogram of rice.

This is achieved by growing rice on suitable soils and recycling water on-farm. The industry also participates in leading environmental programs to reduce greenhouse gases, restore biodiversity and ensure a sustainable future for this important industry.

Vegetables - With a quality supply of water from the Murrumbidgee, fertile soils, clean air and plenty of sunshine, the Griffith region boasts all the natural ingredients for being one of the World's premier food producing regions. Our local market garden industry supplies fresh fruit and vegetables for both domestic and export markets, including such produce as: tomatoes, onions, carrots, turnips, potatoes, pumpkins, lettuce, broccoli, cauliflower, cabbages, sweet corn and garlic.

Fruits -70% of the citrus fruit grown in NSW comes from Griffith.

Our Valencia and Navel Oranges, Grapefruit, Lemons and Mandarins are exported globally along with other fruits including prunes, watermelon and rock melon. The development of both the citrus and stone fruit industries has created growth of other local industries, such as the emerging nut industry.

Griffith produces carrots, apples and grapes for juicing for both domestic and export markets and is also the largest producer of prunes and is an emerging and important industry.

Cotton -Three gins have been constructed to cope with the recent cotton expansion.

Nuts – Both Walnuts and almonds have expanded over the last 5 years.

Processed Foods

Australia's largest supplier of poultry, Baiada Poultry is right here in Hanwood, Griffith. Baiada Poultry are proud owners of Steggle's and Lilydale. They have extensive business operations in Griffith which include hatchery, farming, processing and feed milling. Baiada Poultry supplies some of the largest food companies in Australia such as Coles, Woolworths, McDonalds, KFC and the Food Service market.

Griffith is also home to a range of high quality gourmet food products including Olives and Olive Oils, Tapenades, Plums in Port, Sun-dried Tomatoes, Pasta Sauces, Marinated Vegetables, Seeded Mustards and Chilli products such as Relishes and Salsas.

Wine Making

A poster advertising irrigation farms caught the attention of the late J.J. McWilliam in 1912, so he came to the area to investigate the possibility of growing grapes.

In 1913, he returned to establish a winery at Hanwood, previously desert scrubland.

Fertile soil, clear skies, high temperatures and low humidity make the Griffith region highly suited to vineyards. The addition of water from the MIA made it close to perfect.

Griffith is now home to many wineries including:

21st Century Wines, Barratto Wines, Beelgara Estate, Berton Vineyards, Casella Wines, DeBortoli Wines, Gum Creek Estate, Lilly Pilly Wines, McWilliams Wines, Melange Wines, Nugan Estate, Pinical Estate, Piromit Wines, Red5 Wines, The Wine Group, Toorak Wines, Vico Wines, Yarran Wines, Warburn Estate, Westend Estate and Zappacosta Estate.

The area produces approximately 300 000 tonnes of grape annually, representing 65% of New South Wales production and approximately 20% of the nation's total production.

Multiculturalism

Griffith is a true multicultural mix of people from diverse backgrounds including Italian, Indian, Tongan, Samoan, Turkish, Afghani and Pakistani among others.

With the opportunities created by irrigation, Italian migration was strong from 1913, with a second wave of Italian immigrants settling here after World War II. Now over 50% of Griffith's population claim Italian heritage.

From the 1970s onwards, the thriving economic conditions created by this agricultural oasis attracted a new wave of migration from around the globe. Griffith is now a major exporter of primary products and wines to Europe, Asia and the USA.

Permanent settlement in the region has seen our culturally diverse communities contribute significantly to the economic, cultural, social and political life of the city of Griffith.

People from an Indian background are now developing vineyards and citrus farms and are also involved in food and hospitality on a commercial basis; people from the Pacific Islands are involved in processing, poultry and other forms of farming; people from an Italian background are involved in every aspect of economic life including wine making, citrus, and rice and retail industries.

Many communities are now large enough to boast their own churches, mosques and temples.

Multiculturalism is a way of life in Griffith and this diversity enriches our lifestyle by actively contributing to the whole community and helping to maintain and develop this harmonious and culturally diverse city.

NSW Farmers Griffith Branch welcomes the opportunity to participate and contribute into the upper house inquiry into the augmentation of water supply for rural and regional NSW.

1. That General Purpose Standing Committee No. 5 inquire into and report on the performance or effectiveness of the NSW government agencies that are responsible for the augmentation of water supply for rural regional New South Wales and in particular:

a) Investigate the requirement for a water equation (demand and supply out to the middle of the century) for rural regional New South Wales

Little planning has been implemented to meet future water needs for the state. It would not be a difficult task to work out our future water requirements for urban use, agriculture, industry, environment and recreation. We tend to be reactive rather than proactive. For example, there is no adequate planning for our cyclical flooding regime. We spend enormous amounts of money and resources during flood clean up rather than preparation.

Currently we are competing for water from available storages. These storages have been redefined for environmental needs rather than what they were intended to be used for.

Recycling of urban runoff and cost effective desalination should be thoroughly explored. Sydney's population is soon to reach 5 million. Preparation needs to be explored for the growth of urbanization and the corresponding decrease in agricultural land and associated productivity loss?

Every policy made by state government departments and the federal government should be made carefully to take into account the water needs into the future. Policies should be designed and formulated to support regional rural populations with minimum disruption. Governments have a key role in enabling our region to grow and create wealth by satisfying our water requirements into the future. No longer does a one size fits all approach is appropriate. Water management and water regulations are often counterproductive. Political rhetoric needs to be put aside and state government departments need to work together rather than empire building and job protection. Plans must be strategic that facilitates and enables the farming sector and the wider communities that support it to succeed and prosper.

b) Examine the suitability of existing New South Wales water storages and any future schemes for augmentation of water supply for New South Wales

Beginning of System

The Snowy Mountain Scheme which was completed in 1974 after 25 years consists of sixteen major dams, seven power stations, a pumping station and 225km of tunnels. This scheme provides hydroelectricity and irrigation water to southeast NSW. The design and construction was financed from the Commonwealth Government. The Snowy Hydro has the rights over collection, storage, diversion and release of the Schemes water. It has flexibility to store and release water for electricity production and for use of irrigation water for communities and the environment. However what is evolving is far from an integrated approach to the management of electricity production and water supplies for down- stream communities and irrigators. At the present time the storages have been managed by N.S.W. and the Victorian water agencies, the MDBA making water management “a dog’s breakfast”. We think it is time to explore a better model to satisfactorily address this situation.

Redefining our existing dams

The Burrinjuck and Blowering dams were built by past governments to provide water which was to generate hydro- electricity and to be used to secure food and fibre production for the nation. South western NSW was considered climatically stable, geographically isolated and a safe area for reliable food production for the growing nation. The proposed basin plan and NSW State government has redefined those dams from productive use to prioritize environmental water with little consideration for irrigators and associated communities. Timing of releases will be based on environmental needs and financial gain when generating hydroelectricity. The availability of irrigation water at critical times such as in the spring is imperative for optimizing food production.

What we need is an integrated approach in the management of the Snowy Mountain Scheme.

A vision for the future

Two thirds of the world’s food is grown from irrigated agriculture so who’s against irrigation? Many foods that Australians eat everyday are produced by irrigation. Sustainable irrigation in regional communities also supports other regional industries vital to the Australian economy.

In Australia, it makes good sense to conserve water when times are plentiful to build in productive capacity. In March 2012 we experienced unprecedented flooding and if we had had more water storages we could have mitigated the damage to property and captured a renewable resource. We have again experienced above average winter rain this year where localized flooding has occurred.



Photo showing flooding near Yenda (March 2012) let's save water for a droughty day/year/decade!

What's going on in the rest of the world?

In short, a lot. While we deliberate on whether we should even mention the word dams, other countries are planning and building for the future.

Australia in the last 30 years has not built any dams with the exception of Wivenhoe in Queensland. This was a response to flooding in 1974 and used for power generation. The governments in Australia have suffered from political "gutlessness" and focused on popular issues in order to remain in power. We have no vision for food & fibre production and power generation for the coming decades.

Our population is set to increase and governments are encouraging population growth with no forward planning on how we meet food and power needs.

The World Bank has financed over 500 dams across 92 countries. In Brazil alone they construct 3 to 4 dams per year. So what's wrong with us?

Where do we put these water storages?

The decision to build more dams would have to be in consultation with engineers, hydrologists and communities but there are plenty of options-:

- Dams on some of the Queensland rivers that run into the Darling
- Near Holbrook on the Billabong Creek
- Shoalhaven River
- East of Wagga Wagga

- East Coast of Australia- plenty of area to recapture this resource
- Completing the Chowilla Dam
- Dams below the Hume Dam
- Increasing other dams storage capacity
- East of Narrandera
- Dams near Tarcutta, Jugiong, Kyamba Creeks
- Surge Dams to mitigate flooding e.g. Lake Coolah and Mejum near Leeton
- Enlarge Burrinjuck Dam with a new dam wall that will hold increased water storage.
- Explore the possibility of diverting the Clarence River inland to mitigate flooding in Lismore.

There is a perception that dams are bad for the environment. It is actually the opposite. If we had not had the Snowy River Scheme the Murray and Murrumbidgee Rivers would have ceased to flow during the decade of drought we have just experienced. These dams improved the flow and reliability of water heading west. They provided water for towns and communities and for permanent plantings of horticulture and viticulture and stock and domestic water for farmers.

End of system storage, the Lower Lakes

It would appear to be extremely misguided point of view to try and convert an estuarine system at the Lower Lakes in SA into a fresh water one. This is a coastal system and should be treated as one. It is ridiculous to try and fill these vast lakes with fresh water and allow this valuable resource to evaporate. It is the same example for Sydney Harbour. Perhaps we should build barrages there and stop the sea water coming in. We could then rely on Parramatta River to fill the harbour with fresh water and keep its mouth open!

Appendix 1

Summary

Yes, we do need extra water storages to secure food, fibre and hydro-electricity production to meet our future needs. There are many sites we can explore for the possibility of increasing our water storage capacity. Water storages actually enhance environments, help mitigate flooding events, increase our productive capacity as well as supporting our communities and contributing to the nation's wealth. Governments need a vision and the courage to plan for our future needs.

c) Review the NSW Government's response to the recommendations of the June 2013 report by the Standing Committee on State Development on the adequacy of water storages in New South Wales

NSW Farmers Griffith branch contributed to this inquiry and made a submission with many recommendations. To maintain the status quo is often easier than actually doing anything and as the years slip away and no doubt our submission will gather dust.

There appears to be an emphasis however on the developing the northern parts of Australia which we applaud but not to the detriment of maintaining a world's best irrigation regions, exiting processors and shackling irrigators and communities with bureaucratic duplications and unnecessary rules and regulations.

Appendix 1, 2 & 3

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

Climate variability is a given in Australia. We spend billions of dollars in flood recovery rather than planning for flood events. With recent flooding in NSW and the 2012 millennium flood there is now a greater emphasis on the discussion around dams for flood mitigation.

The 2012, flood event created adversity for towns like Yenda and these impacts continue today. Houses and businesses were lost, creating community hardship for all at an untold cost.

Dams would capture flood water and save on the financial and human cost of floods. Short term storage or surge dams would help mitigate flood events while giving flexibility with water management and create a productive boost as this water is used. The construction of Lake Coolah and Mejum as a surge dam to mitigate flooding should be considered.

It would also make good sense to capture coastal rivers in flood to mitigate the impact of flooding. Lismore is a point in case.

Appendix 4

e) Examine technologies available to mitigate flood damage, including diversion systems, and the scope of infrastructure needed to support water augmentation, by diversion, for rural regional New South Wales

Many reports have been written to support the scope flood mitigation.

Appendix 5

f) Examine social, economic and environmental aspects of water management practices in New South Wales and international jurisdictions, including the following case studies:

1 Broken Hill town water supply/Menindee Lakes

In Menindee there are businesses for sale, an empty main street, dead vineyards and abandoned packing sheds.

The Menindee Lakes are vast. The storage capacity is 1750GL. That's larger than Blowering's full capacity of 1628GL. The average depth is over 6 metres.

We have been told it was complicated and that the people there are uncooperative. We have been told by the State that it was the Feds' responsibility and vice versa.

The people, who live and work there, just like us, want to get on with their lives, provide for their families and maximise their contribution to the country.

Menindee exemplifies the fundamental flaws in current water management of the Murray Darling Basin.

In 2012 the Lakes and the Darling were full with enough water to manage these areas for years. In June 2013 large releases from the Lakes began and they continued until December 2013. It was an unrelenting drawdown of water from Lakes Wetherill and Parmaroo. By February 2014 the water levels had dropped below 480 GL which triggered control from the Murray Darling Basin Authority (MDBA) across to the NSW State Government. What was left was mostly unusable water. In the space of 7 months, The MDBA and the NSW State Govt had splashed and trashed all the accessible water off to South Australia on top of an already swollen system.

The Menindee Lakes and the Lower Darling are now suffering from a manmade drought and it is a distressing sight.

A solution is not difficult. There have been two reports commissioned that have arrived at the same solution.

Appendix 6 & 7

South Western NSW water management practices

There a number of points need to be covered under this heading. These include -

Voluntary Contributions

Rural communities know that the Murray Darling Basin Plan (MDBP) is not delivering the promised balance between social, economic and environmental factors. It is very disappointing because all we are calling for is to work together for good practical outcomes.

Not only do we have to deal with the MDBA but also the NSW State Government's Office of Environment and Heritage (OEH). This department is in direct conflict with the Department of Primary Industries (DPI). The DPI has a vision to increase the growth of agricultural production by 30% in the next four years. This is difficult when OEH have their foot on producers' necks and are operating in social isolation.

In 2002 we were coerced into contributing water entitlement to the state government on the proviso that it would be reviewed after one year and then again after five years. Time has passed and these "Voluntary Contributions" (VC) were just rolled into what now is the State Water Sharing Plans with no review. OEH was gifted much of this acquired water and despite the fact that most of it was General Security Entitlement, these significant parcels of water have now the highest priority in any watering year. However, irrigators are still required to pay the fixed fees and charges for this water. Allocation announcements in our valleys are impeded at the start of each season to cover off these amounts. Irrigators bear the financial burden for providing politically inspired, ecological goods and services.

OEH manages this acquired water with little transparency or accountability. There has been no socio-economic monitoring or research to quantify the impact on NSW communities. OEH has the ability to sell water to cover costs.

Appendix 9

Rules Based Watering

The 2004 Water Sharing Plans (WSP) appears designed so they can be altered for the benefit of bureaucracy at the expense of the paying customers, rural communities and their environments.

The State's 'rules based' watering and held water accounts often add up to astoundingly high figures in our valleys, including the Murrumbidgee. In this last wetter, winter season the Murrumbidgee spent much of its time running a banker.

So where did all that potentially available water go?

WSP rules associated with transparent flows, translucent flows and dilution flows decree that in the wetter seasons, water is just let straight through storages regardless of downstream conditions. In some valleys those rules appear designed to remove the purpose of storages altogether.

In addition to those flow through rules, there are State held water accounts such as 'rules based' environmental water, loss accounts, conveyance accounts, reserves and 'other water.' In December 2015, those State held accounts added up to a minimum of 1,023,000ML just in the Murrumbidgee Valley. Burrinjuck's total storage capacity is 1,028,000ML. Essentially, the State is hoarding the entire capacity of Burrinjuck.

Of course we also have the Murray Darling Basin Plan and yet another parcel of water for the environment in storages.

Is our environment being over watered?

There have been numerous reports of drowning gums, river bank erosion, black water events, poor water quality, pest species, carp proliferation and overly waterlogged wetlands.

Our storage systems were specifically designed to store water in wet seasons so we could wisely and productively manage water in the drier seasons, including for river health.

The NSW WSP 'rules based' watering and 'rules based' accounts now let water straight through the storages in the wetter seasons and then hoard it in the drier seasons with no measurable, practical outcomes for river environments.

We have heard of 'creative accounting' in the finance world. It looks like it's operating in the water world.

NSW Government water agencies are busy using modelling with flawed assumptions and opposing ideologies. The result is that our productive capacity is being unnecessarily impeded, yet the Department of Primary Industry (DPI) wants to increase the value of agricultural production by 30% in 4 years (2019). Producers are just being confused by impractical government policies administered by too many bureaucracies.

Appendix 8

Bureaucrats

If the aim of Governments was to start pricing the paying customers out of their markets; then it has been an overwhelming success! Water is an essential input into irrigation businesses and has been made a scarce resource with complicated rules and regulations.

The Water Act 2007 promised "reformation" of water management across the Murray Darling Basin. The Commonwealth Government wanted to take constitutional control of water from the States. They signed up to International environmental treaties like Ramsar.

This has facilitated a continuing nightmare of burgeoning bureaucracy and political rhetoric driven by people with little practical knowledge of regional communities, irrigation or riverine landscapes.

Instead of focusing on important concerns like water quality and collaborative environmental outcomes, we are being continuously subjected to an irrational 'flush it and splash it' mindset that is only focused on harnessing volumes of water.

To deliver bulk water to the paying customers in the Southern Connected System, there are now over 17 different legislative monopolies involved with around 30% less available productive water.

Bulk water needs to be delivered at the right time, the right quantity, of good quality and at a competitive price.

Anyone who operates anywhere in Australia quite reasonably expects their input costs to fit such basic criteria.

We asked 2 simple questions:

- 1) How many people are employed in bulk water delivery, water regulation and water pricing in the Southern Connected System?
- 2) What is the ratio of employees to fair dinkum, income producing, irrigation farming enterprises in the Southern Connected System?

We sent inquiries to the entities that we know about like MIL, MI, CIL, Water NSW, DPI Water, SHL, OEH, MDBA, ACTEW, Dept of Environment, ACCC, IPART, CEWH, BoM, CSIRO and the corresponding State entities in Victoria and SA.

We have not had replies from them all, but already the number of employees across these entities is over 5,000. In NSW it's already over 3,000.

Considering the number of bulk water users in the southern connected system, we have concluded there is something alarmingly wrong with this ratio.

Paying customers would support a plan that is genuinely working towards rationalising and streamlining water delivery, water quality, regulation and pricing.

The answers to those 2 simple questions tells us a very different story.

Water delivery is instead becoming ever more complicated and expensive.

Each paying customer now seems to be required to support an administrator or a bureaucrat!

We need to loudly ask our State and Federal Representatives..... WHY?

Water Sharing Plans

June was the deadline for the NSW Government to review the State's Water Sharing Plans (WSPs) and any savings projects. In 2019, WSPs are supposed to be rolled into the Federal Water Resource Plans and the Murray Darling Basin Plan (MDBP).

NSW Murray Darling Basin communities have not had sufficient opportunity to assess the effectiveness of current WSPs nor have they seen any completed reviews.

The NSW departments responsible for these reviews have undergone restructure and are lacking some focus and resources.

The 2004 WSPs were further negatively impacted by the Millennium Drought, The Water ACT 2007 and the MDBP. The WSPs are now, most definitely, struggling to deliver good outcomes in average to above average seasons. WSPs divvy up or prioritise water access and they have scrambled and confused the whole process. State held accounts and State Environment accounts have priority over everything. Apparently, inland MDB communities and their productive capacities are not deemed to be an important part of the NSW environment.

In the WSPs, the Office of Environment and Heritage (OEH) has been progressively gifted priority water via such measures as rule changes and the so called 'voluntary' contributions. The amounts are often difficult to quantify as there is little transparency with their accounting or their activities.

The WSPs also divvy out priority water for such things as translucent, transparent and dilution flows. The WSPs deliberately impede the timing and volume of general security allocations to 'cover off' on these volumes.

Irrigators must pay fixed fees and charges on undelivered water but they are not the only ones hurting. Our wider communities are also bearing the brunt with impacts on production, jobs, businesses, population numbers and the ongoing reduction of essential government services.

Excess water is often traded back to productive use by State departments at extraordinarily high prices. Originally, when not needed, that water would have been re-allocated to the paying customers (the producers).

Environment and other State held accounts definitely appear to be 'over catered' with priority water.

It is well past time for State and Federal Environment Ministers, their policy advisors and leading bureaucrats to visit MDB communities and witness, first hand, the impacts from their mindset about storage, modelling, flushing and irrigated agriculture.

Our irrigation communities are important, functional assets of the NSW environment - not a low priority or separate from the environment!

Evaporation and SDLs

The Basin plan sets a number for the Sustainable Diversion Limit (SDL) or water take. States changes are also trapped into focusing on 'savings' numbers.

Rural communities know that a good water management plan doesn't start with a number. A good plan starts with a goal or a vision. Before we land on numbers we need to understand what we're trying to achieve for our communities.

Through this process, Federal and State authorities have managed to demonise evaporation. They are attaching modelled 'evaporative savings' numbers in order losses and who to charge for them. It looks more like a cost shifting exercise rather than sensible, achievable water management.

If we continue to drain and dry down areas to achieve 'evaporative savings' we will most likely continue to negatively impact rural communities and their environments right across the State.

This 'grand experiment' with evaporative losses has been played out at Menindee and the Lower Darling where a whole system has been 'hung out to dry' by various State and Federal authorities. Essentially, the evaporative losses have just being shifted elsewhere. The water went to places like Lake Victoria, the Lower Murray and the Lower Lakes. The evaporative losses are just as great or greater at the bottom of the system as they are at Menindee and the Lower Darling.

Why is the Lower Darling the only place where there is zero water for the river environment and communities there are now at critical supply levels?

Those SDL offsets or savings figures don't look achievable without trading off and therefore risking the economic, social and environmental health of rural communities.

We need to get some common sense operating in water management and stop arguing about unworkable numbers.

We should be focusing on our economic, social and environmental goals - not cost shifting.

g) The efficiency and sustainability of environmental water being managed by different State and Federal Government departments and agencies

h) The management, appropriateness, efficiency and reporting of:

1. Inter-valley transfers

The Water Management Act allows water access licence holders to transfer water. These rules are part of the Water Sharing Plans. Unfortunately the complexity of rules and lack of governance around these rules have seen these rules being manipulated by many including governments. This issue needs to be seriously looked at urgently.

Conveyance and loss water

Conveyance and Loss account (transmission, evaporation, and operational) alone on the Murrumbidgee account for 522Gl. This water can be carried over indefinitely and the bucket is replenished at the beginning of each watering year. One could argue that there would be significant double dipping as MDBA water send environmental flows regularly and that water would help restore losses and conveyance water. Again there are governance issues and duplication of bureaucracy around this issue and it needs to be clarified with accountability and transparency.

3. Carryover

Carry Over was originally a tool offered to General Security (GS) irrigators and it granted them the ability to transfer a percentage of unused water from one season to the next. If they hadn't used water in the summer period they could carry over some remaining water to the next spring. It was a good theory.

The reality is different. GS producers rarely have unused GS allocation in their accounts.

So while most GS irrigators support the theory of carry over as a risk management tool, they know that it's not delivering in practice.

At the end of each season, GS producers are in the market buying very expensive water that is not GS water in order to secure themselves a start for the next season. The State government, via trade rules, can offer excess water for sale. Before some bureaucratic tweaks, much of this other water was socialized or 'spilled' and put back into the productive pool to aid a good start in the next season.

In 2008, in the middle of the drought, carry over was doubled from 15% to 30% in the Murrumbidgee Valley and raised to 50% in the Murray Valley. The government also adjusted and re interpreted the rules and regulations so that other water holdings were permitted to be

carried over and remain in dams indefinitely. Now we're all told the storages are too full of 'other water' and DPI Water can't announce timely allocations to GS producers.

Further complications arise because carry over rules are not sensibly streamlined across the southern states and they are therefore wide open to manipulation by market punters and State and Federal Government agencies as they transfer water between valleys and States, upstream and downstream! This behaviour is further obstructing timely GS allocations.

To add insult to injury the State Government averages total carry over figures and then adds it to the GS allocation and then say that GS producers are doing all right and should be grateful!

Other impacts are felt when irrigators' money, which could have been spent locally or used to produce locally, leaves our local communities. This leads to negative, flow on impacts with job losses, relocation of families and the reduction of government services.

So the frustration and confusion irrigators are feeling is justifiable as they're putting their hands in their pockets to secure timely water delivery over and over again.

4. The management and reporting of the water market,

i) Any other related matter

The loss of certain agricultural enterprises and the resulting food processing will result in the erosion of our farmer's skill base. Generations of farming knowledge will be lost as people exit their industries. Young people are reluctant to enter the agricultural sector with the uncertainties which are created through poor water management and poor government policy with no long term vision.

It is also to be noted that in the 2016 NSW Department and Planning and Environment Draft Riverina and Murray Regional Plan on page 26 where it says

Water for the Future

"This is a long term (10 Year) initiative to better balance the water needs of communities, farmers and the environment. As part of this initiative, \$3.1 billion will be "in restoring the Balance in the Murray- Darling Basin Program" to purchase water entitlements from irrigators looking to sell. This investment aims to address excessive consumptive use and declining river health as urgent priorities."

This draft report has caused great concern amongst our community and has stimulated many questions. This exemplifies the very reason rural regional communities feel marginalized with the behavior of state and federal government departments.

1. Doesn't regional rural NSW deserve to be consulted?
2. Why is natural resource management (NRM) managed by bureaucrats from their office in a city with limited knowledge of the environment in rural regional NSW?
3. Where would \$3.1 billion come from?
4. Where would the water come from?
5. How can our bureaucrats be so out of touch?
6. What can we do to change the bureaucratic perception to actually acknowledge that those that live and work in their environment are indeed the best custodian of our Land and Water?

2. That the committee report by 27 October 2017

Appendixes

1. Louise Burge 2011: Murray Darling Basin Plan
Guide to the Proposed Basin Plan
Watering Plan and the Environment
 2. Mc Gowan Associates Albury and Hay 1984: A Case to Government to Fund the
Development of a Water storage and Recreational Facility
 3. PhI Surveyors 2015: The Review of the Historical Investigations into the Conversion of
Lake Coolah to an En-Route Water Storage Facility and Discussion of Construction Cost
Estimate
 4. Ron Pike: Water Storages in NSW; A Submission to the NSW Standing Commission on
State Development
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