

**Submission
No 118**

INQUIRY INTO WATER AUGMENTATION

Organisation: Pastoralists Association of West Darling Inc
Date received: 21 September 2017



Pastoralists' Association

of West Darling Inc.

Registered under NSW Government Fair Trading

13 September, 2017

The Hon. Richard Colless, MLC
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Colless,

**PAWD response to the Legislative Council
Inquiry into the augmentation of water supply for rural and regional New South Wales.**

The Pastoralists' Association of West Darling (PAWD) appreciates the opportunity to respond to the issues raised in the Inquiry's Terms of Reference. PAWD represents the interests of pastoralists in the far west of NSW, including those residing on the banks of the Darling River between Bourke and Wentworth. Pastoralists depend on the river to supply water for stock and domestic use, and water in the channel also acts as a boundary fence between neighbouring stations. Some pastoralists augment their livestock enterprises with small, high value irrigated permanent plantings. A number of PAWD members are serviced by the Menindee – Broken Hill pipeline. It is with this background in mind that PAWD makes the following observations and recommendations.

There have been a number of recent developments affecting the management of the Darling River and Menindee Lakes Scheme which have delayed PAWD's response, and no doubt will have some bearing on the outcome of this Inquiry. Agribusiness Webster Limited announced its intention to sell its 21,901ML Tandou water entitlement to the Commonwealth Government in June. ABC TV's Four Corners program broadcast alarming allegations of mismanagement and illegal extraction from the Barwon-Darling in July, followed by ABC TV Lateline's investigation of similar activities on the Macintyre River in August. Subsequently, there has been no less than six separate inquiries called to investigate the issues identified by the Four Corners investigation, and a damning Interim Report into NSW water management and compliance was released in September.

Notwithstanding the impact of alleged illegal extraction by upstream water users, it is excessive water extraction, amplified by changes Barwon-Darling Water Sharing Plan to the benefit of irrigators that have had a devastating impact on the reliability of the Darling River below Bourke. There have been negative outcomes for the environment, pastoralists, small scale irrigation enterprises, river townships, indigenous communities and the security of Broken Hill's water supply. This mismanagement induced unreliability of flows into the Menindee Lakes has prompted Webster Limited to abandon irrigated farming at Lake Tandou and been the catalyst for the construction of a pipeline from the Murray River to Broken Hill with \$500m of public money. A significant sum of public money was also spent on the development of a borefield at Menindee to secure an emergency supply of water for Broken Hill if required. The future of this asset is unclear.

**ADELAIDE ROAD, BROKEN HILL, NEW SOUTH WALES 2880
POSTAL ADDRESS: P O BOX 279, BROKEN HILL NEW SOUTH WALES 2880
Website: pawd.org.au**

A review of available data has allowed PAWD to determine the rate of water extraction from the Barwon-Darling river system for the twelve year period from 1997 to 2009, expressed as a percentage of annual flow volumes recorded at Wilcannia. The average annual extraction for this period is 41% (range 5% - 143%). However, there are several important points to note:

- The results are skewed by three years of data when river flows were significantly above the long term average, and extraction was 10% or less.
- The results are much higher than the 6% average annual extractions quoted by the Deputy Prime Minister and State Member for Barwon.
- The dataset covers a spread of years before changes in the Barwon-Darling Water Sharing Plan were adopted in October 2012, which increased irrigator access to low flows in the system.

Regardless, the most important issue that long term average datasets do not reflect is the critical importance of low and medium flows in the river system. It is these flow events that sustain the river and all those that depend on it. In a land of droughts and flooding rains it is most important that the river is managed to the benefit of all stakeholders at times when inflows are low or non-existent.

The 2012 Barwon-Darling Water Sharing Plan has failed to meet its own objectives in terms of equitable resource sharing between all stakeholders. PAWD is aware of an apparent breakdown in due process, whereby a number of operating rules were introduced without prior disclosure or consultation, resulting in a significant windfall for irrigators to the disadvantage of all other stakeholders and the environment. The operating rules of particular concern are:

- The removal of pump size limits
- Approval to extract 300% of an entitlement per annum
- Failure to implement daily extraction limits

PAWD recommends that prompt action is taken to reverse the provisions in the Water Sharing Plan that relate to the operating rules outlined above. Low and medium flows must be allowed to pass through the system, accordingly pump size limits and daily extraction limits must apply until river heights reach appropriate trigger heights. Under no circumstances should an irrigator be allowed to pump and store more than their annual entitlement in any one year in such a high evaporation environment.

Much has been made of the inefficiencies of the Menindee Lakes Scheme, in terms of losses due to evaporation. Undoubtedly average losses of 426GL/yr to evaporation are significant when viewed in isolation, but the source of this figure (Maunsell/AECOM Darling River Water Savings Project Submission) quotes average annual evaporation figures from various sources in the Darling Basin, including:

- Major Dams, excluding the Menindee Lakes Scheme – 225GL/yr
- Hillside Dams – upper Darling Basin – 727GL/yr
- Ring Tanks – upper Darling Basin – 630GL/yr
- Ring Tanks – lower Darling Basin – 20GL/yr

Accordingly, it is clear that opportunities to reduce losses due to evaporation occur throughout the Darling Basin, and should be realised wherever possible. Notwithstanding, reducing evaporation from the Menindee Lakes Scheme by improved management must be implemented as a matter of priority. There has been much discussion about building a regulator between Lake Menindee and Lake Cawndilla over many years, and PAWD recommends that a decision is taken to proceed with this project as soon as possible. The practicalities of this project may well be enhanced by the recent decision by Webster Limited to cease irrigated farming operations at Lake Tandou. Furthermore, PAWD also recommends that opportunities to return stranded water in the bottom of drying lakes at Menindee (and the aquatic life contained herein) to the river are investigated. However, the requirement to deliver environmental flows to the Great Darling Anabranch must be taken into account if changes are made to the configuration or operation Menindee Lakes Scheme. Potential adoption of a management regime that does not allow for the delivery of water the Great Darling Anabranch whenever practical would be unacceptable.

The sale of Tandou's water entitlement to the Commonwealth by Webster Limited and subsequent suggestions that this entitlement may be extracted elsewhere in the Basin is extremely concerning. This water must continue to be delivered to the Menindee Lakes Scheme in order to improve water security for basic rights users and small scale irrigators on the Lower Darling.

PAWD also recommends investigating the option of constructing new weirs at key locations in the Darling River between Bourke and Wentworth, in response to the ongoing problems created by extended periods of low or no flow downstream of Bourke. The deep river channel (eg: 9m at Wilcannia) and shallow gradient facilitates the construction of weirs that retain water for long distances upriver to the benefit of pastoralists and communities, as well as the environment. They should be located on the downstream side of settlements on the river to maximise the depth of water stored for community use and enjoyment. Water held in the river encourages tourists to the area, and acts as a boundary fence between adjoining properties. Storing water in the channel minimises the impact of evaporation, and maintaining a deep weir pool allows water resource managers to release some water downstream if required, for example to relieve a critical shortage, without excessively compromising security of supply for water users on the upstream side of the weir. New weirs should incorporate fish ladders and river gauges with the capacity to upload data to the internet in real time. Any enhancements to in-channel storages should not be seen as an opportunity for irrigators to access additional quantities of water, but be for the benefit of basic rights entitlement holders (town water supplies, stock and domestic users), plus indigenous communities and the environment.

The investigations of water use and misuse in the upper reaches of the Darling Basin by ABC TV have raised a number of issues of great concern, including but not limited to:

- Failure of regulators to investigate and prosecute cases of water theft
- Winding back of compliance activity by Water NSW
- Actions of senior departmental staff in colluding with irrigators
- Diversion of low flows into private storage
- Retrospective approval of potentially illegal structures and activities
- Unmetered floodplain harvesting

The credibility of the NSW public service as an effective regulatory and compliance organisation has been trashed by the Interim Report into NSW water management and compliance. Allegations of illegal activities by irrigators remain unresolved and further investigation is required. There is a community expectation that the investigations are thorough and effective, and result in appropriate action and penalties that serve as an effective deterrent to those who seek advantage by participating in illegal activities. Accordingly, the appropriate way forward is to hold a judicial inquiry that has the power to compel witnesses to appear and give evidence under oath. Furthermore, protection must be given whistle-blowers. Failure to take prompt and decisive action will have ongoing ramifications for all stakeholders.

Rural communities, and the general public, have a rightful expectation that our scarce water resources are shared equitably between all users and the environment, and that \$13 billion of taxpayer funds invested in the Murray Darling Basin Plan is spent wisely. It seems abundantly clear that the actions of some water users on the Barwon-Darling are illegal and should not go unpunished. Serious breaches of the law should attract penalties that include loss of licence, return of extracted water to the river and removal of infrastructure. The conduct of regulators and legislators must be transparent and be seen not to advantage or disadvantage any particular stakeholder. Compliance staff should be adequately resourced and supported, and cross-agency (Police, Fisheries, Local Land Services, National Parks and Wildlife Service) co-operation and intelligence sharing should be considered. Irrigators should not be allowed to divert low flows into storage, and water harvested from floodplains should be accounted for as part of an entitlement.

It is only after issues concerning misuse and mismanagement of water in the Darling Basin are resolved that plans to augment the water supply in New South Wales, as being explored by this Inquiry, should be entertained. Many of the problems being experienced by Darling River water users downstream of Bourke, including Broken Hill, may well disappear if upstream extraction was constrained by the parameters of what is fair, reasonable and legal. As a nation building exercise there may be potential to develop a large scale water diversion project in the north east of NSW with multiple benefits, including flood mitigation for communities on the eastern fall on the Great Dividing Range and hydroelectric power generation. However, such projects must not proceed unless the reasons to do so are compelling, and guarantees that additional water delivered into the Darling Basin is shared equitably between all stakeholders are in place.

Thank you for the opportunity to make this submission, and PAWD is prepared to engage in further consultation if required.

Yours faithfully,

Lachlan Gall.
President, PAWD.