

**Submission  
No 12**

## **INQUIRY INTO STATUS OF WATER TRADING IN NEW SOUTH WALES**

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**Date Received:** 3 July 2022

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My Family have run a beef cattle grazing business in the Macquarie Marshes for 4 generations. Our family have witnessed first hand the changes in river operations as a result of water trade.

During the development of the irrigation sector in the Macquarie valley landholders were actively encouraged to develop land for irrigation, this was often as drought security for the grazing industry. This continued with many small entitlement holders growing Lucerne for hay production or growing improved pasture for high production stocking rates.

During this period and the development of the 2003/4 water sharing plan it was widely accepted that the reliability of any general security share in the Macquarie was around 52% , When water was separated from land and water was free to be traded to any license holder it soon became apparent that the large irrigators were keen to either buy up smaller licenses or trade on the temporary market.

Soon the small license holders could see that it made much sense to trade their license on an annual basis and generate income without doing anything, they could still grow a dryland crop on their developed land ,thus a win win with much less work.

This soon led to the reliability being effected as the larger irrigator was running a big efficient business and asking every drop count. The reliability of general security began to fall and the river operator ( water NSW) was soon questioned how they could become more efficient .

A simple way for this to happen was to reduce losses. This happened in a few ways firstly in reducing the target flows at the end of the regulated reach (note the Macquarie does not have end of system flow targets) and secondly to account for any tributary flows that arrived downstream of the Dam .

The combination of the increased take from tribs and the reduction of base flows soon resulted in the Macquarie Marshes undergoing great environmental and ecological change. The change in the plant community's within the Marshes that had underpinned our grazing business for generations was profound. Much of the Macquarie Marshes had been listed under the Ramsar convention ,this listing required an ecological character description to be completed for the Nature reserve as well as the 2 private Ramsar sites ( Wilgara and U block).

As a result of a major change in river operations ( water NSW becoming more efficient) the Ramsar sites soon underwent massive change resulting in the Ramsar listing falling outside of the limits of acceptable change for the ecological character description.

This change put the Macquarie Marshes Ramsar site in the position of being listed under the 3.2 criteria. I strongly believe that this is solely as a result of the flow on effects of water trade.

It now seems that the reliability of a general security share in the Macquarie is well below 30% ,and while industry attempts to adjust with this massive drop the environment is left without enough water to complete the objectives of the Murray Darling basin plan.

This issue is highly complex and I would encourage the committee to come to the Macquarie Marshes and see first hand the massive impact that water trade and the water market has had on the wetland as well as gain a greater understanding of the effect to our grazing business.

Regards Garry Hall

Chair of the Macquarie Marshes Environmental landholders association