

REPORT ON PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE NO. 5

WATER AUGMENTATION

CORRECTED

At Broken Hill on Wednesday, 26 October 2016

The Committee met at 8:17 am

PRESENT

The Hon. R. Brown (Chair)

Mr J. Buckingham

The Hon. R. Colless

The Hon. P. Green

The Hon. M. Mason-Cox

Mr S. MacDonald

The Hon. D. Mookhey

The Hon. P. Sharpe

The Hon. M. Veitch

The CHAIR: Good morning, ladies and gentlemen, my name is Robert Brown and I am chairing this inquiry. The Committee before you is a multi-party committee of the upper House of the New South Wales Parliament. Welcome to the first hearing of the General Purpose Standing Committee No. 5, Inquiry into the Augmentation of Water Supply for rural and Regional New South Wales. This inquiry will examine the water demand and supply; the suitability of existing storages—and that will follow on from previous inquiries into this area; flood history; technologies to mitigate flood damage; and water management practices, including environmental water.

Before I commence, I acknowledge the Wilykali and Barkandji people, who are the traditional custodians of this land. I also pay respect to the elders past and present and extend that respect to any other Aboriginal persons present. Today is the first hearing to be held across New South Wales in relation to this inquiry. Today we will hear from representatives of the Barkandji Native Title Group Aboriginal Corporation, Native Title Service Provider for Aboriginal Traditional Owners in New South Wales and the Australian Capital Territory [NTSCORP], the Lower Darling Horticultural Group, Broken Hill Chamber of Commerce, Broken Hill City Council, Water NSW, Essential Energy and the Broken Hill and Darling River Action Group and the Broken Hill Menindee Lakes We Want Action Facebook Group.

Before we commence, I make some brief comments about procedures for today's hearing. In accordance with the Broadcasting Guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside their evidence at the hearing. I urge witnesses to be careful about any comments they may make to the media or to others after they have completed their evidence as such comments would not be protected by parliamentary privilege. The guidelines to the broadcast of proceedings are available from the Secretariat at the rear table.

There may be some questions that a witness could only answer if they had more time or with certain documents available. In those circumstances witnesses are advised that they can take questions on notice and provide an answer within 21 days. I remind everyone here today that Committee hearings are not intended to provide a forum for people to make adverse reflections about others under the protection of parliamentary privilege. I therefore request that witnesses focus on the issues raised by the inquiry's terms of reference and avoid naming individuals unnecessarily. Witnesses are advised that any messages should be delivered to the Committee members through the Committee staff, and that applies to the tabling of papers.

I ask everyone—Committee members, members of the public gallery and witnesses—to turn off their mobile phones or to put them on silent for the duration of the hearing.

WILLIAM BRIAN "BADGER" BATES, Director, Barkandji Native Title Group Aboriginal Corporation, affirmed and examined

GERALD QUAYLE, Director, Barkandji Native Title Group Aboriginal Corporation, affirmed and examined

KEVIN CHARLES KNIGHT, Director, Barkandji Native Title Group Aboriginal Corporation, sworn and examined

NEVILLE KIM, Manager, Community Facilitation, NTSCORP, sworn and examined

HEMA HARIHARAN, Manager, Strategic Development Unit, NTSCORP, affirmed and examined

Mr BATES: I am a Barkandji person, reared up in Wilcannia on the Darling River. I am a Barka-Wiimpatja—that means I am a Darling River black person from Wilcannia.

Mr QUAYLE: I am born in Wilcannia and I am a Barka-Wiimpatja. I have lived in the Far West all my life.

Mr KNIGHT: I come from top end Bourke and I represent the Barkandji Nation. I am here to represent my people.

Mr KIM: I am here to support and stand with the Barkandji people as an NTSCORP employee.

The CHAIR: Thankyou very much. The way we will proceed today is, I will ask you if you wish to make some opening statements. I will ask you to try to keep those fairly brief. Then the Committee will put questions to you and hopefully by the end of the day we will get a pretty good idea of what you feel about water out here. That is the general idea. Would one or all of you like to make an opening statement?

Mr BATES: First up, you are going to have to just bear with me. I cannot read fast.

The CHAIR: That is okay.

Mr BATES: I only went to the mission school in Wilcannia. Bear with me.

The CHAIR: There is plenty of time.

Mr BATES: The Darling River is our ngamaka—our mother. It is Barka and we are Barkandji wiimpatja—Darling River people. We depend on our river for everything—our identity, our food, our stories, our family history, our language, our rules, everything. Without it we are nothing. Our Barkandji native title gave us recognition but not much else. At least we hoped that our recognised native title will give us the right to manage our river for future generations. Nameless public servants and farmers living far away are taking our rights to cultural waters and our native title rights to manage our river, as we have done for 50,000 years. Now we only get water if there is too much water upstream for the farmers upstream to use or store. Over the last 15 years our river has been drying up, more often than not. I am 69 years of age and this is a new thing, and it is not natural. Our river water is being drained from our rivers upstream for irrigation.

To make things worse, the water is held at Bourke and if a small flow comes through, the public servants send the stored water down to us—wastewater that nobody wants. They send that down to pollute the little water we are allocated and they keep the freshwater up there. They send down the salty, oxygen-poor wastewater full of chemicals from the farms and blue-green algae to us at Wilcannia and we have to try and drink it. The fish jump out of the water because they can't breathe and they die in thousands. I grew up in a tin hut or under the tarps thrown over a branch of a tree all along the river. We always drank water; the river always gave us water and fish, yabbies, shrimp, turtles, mussels, freshwater snails, birds, eggs and plants to eat.

I learnt from my grandmother and uncles all about the river. We know every bend and waterhole, every spring, every sandy bank and everyone stony bank, all the way from Wentworth to Bourke. We know what fish live where, what they eat, everything about those fish. We saw fish and animals that are now extinct along our river, like catfish and silver bream. Water lizards and water rats, river boatmen and water spiders, freshwater snails—so many things you don't see now. I want to know: Who gives other people living a long way away the right to destroy those things?

We were brought up to know where our Ngatji lives, our Rainbow Serpent. We know what waterholes it lives in, and where it travels underground from water to water. The Ngatji keeps our river health. If the Ngatji dies, our river dies and we won't be Barkandji anymore. The Ngatji makes the underground waters and the springs, and the waterholes in the river that never go dry. In 2007 we saw our Ngatji waterhole at Wilcannia go

dry, no-one ever saw this before. The shire was pumping water from a shallow bore for us to drink near this waterhole, but they don't understand like we do that it is all linked. The waterholes, the aquifers and the springs are all linked. They are all made by the Ngatji. If you pump too much water out of one, the others go dry.

People say and write in the papers that there is no economy at Wilcannia and Menindee and that we shouldn't be allowed to live there. But if we had the rights to manage our river properly, towns like Wilcannia and Menindee would be able to have a healthy economy and our people would have jobs: No water, no jobs. I want to know: Why do my people at Wilcannia not have rights to water and rights to jobs—just like the people at Moree or Dubbo, for example? What makes us different? Is it that we are Aboriginal, or is it just that we don't have the numbers to influence the vote? Or are you trying to make us extinct like our river and our river animals?

When the river is flowing at Wilcannia all the kids and families go fishing. The kids use the rock weir as a fish trap, like we have for used rocks for thousands of years. We catch fish and this keeps us healthy. When there is no water, the kids get into mischief and the old people get sick. We are Barkandji wiimpatja. We need our river to stay healthy. Everyone in Australia needs our river to stay healthy—our children and our grandchildren and for future generations to come.

The CHAIR: Thank you, Badger. Could we get a copy of your opening statement for the *Hansard* record?

Mr BATES: Yes.

The CHAIR: Thank you very much. Would anybody else like to have a say?

Mr QUAYLE: Yes, I would like to make a statement. Like Uncle Badger and Kevin, who is to my left, we are all Barkandji people. Uncle Badger was mentioning some of our traditional language words, like the Ngatji and the Wiimpatja. I would just like to clarify what they mean. First off, the Wiimpatja identifies who we are. We are not Koori. We never were and never will be a Koori. That is one of the first things I would like to be known because Koori is an Aboriginal identity word that is used by the Wiradjuri mob. And the Wiradjuri are, of course, one of the biggest Aboriginal groups in New South Wales. It goes right down from the central part of New South Wales, right down into Victoria. Those clan groups that come from the Wiradjuri nation are known as Koori. Out here, us Barkandjii mob in the Far West of New South Wales, we are known as Wiimpatja. I just want to clarify that so that you don't ever get mixed up. Also, the Ngatji is our traditional name for the Rainbow Serpent. It travels all around the country creating major waterways and that, like the river. The Darling River, we call that Barka, and that is where we get our identity from.

The CHAIR: That is your name.

Mr QUAYLE: Our name, Barkandjii. Barka is the river and the "ndjii" means belonging to. As traditional people of this area, we belong to the river and the river is what sustains us and looks after us and gives us life, not only to humans but to everything that is along it and around it. Like Uncle Badger I grew up in the sixties and the seventies, and I grew up rich. I didn't have a lot of money. I grew up on the mission. My parents did not have a lot of money. My father was a returned soldier. He fought over in Borneo and Lae in Papua-New Guinea. When he came back, he was given five acres of floodplain land that he couldn't grow a fruit tree on because floodplain ground is very cracky and hard black clay, but he made do with what he had. So long as we had water in the river, we were happy. Life suited us well, and we had fish because we had water in the river and we had our traditional food. Everyone would be on the river fishing and yabbying, swimming and enjoying life.

But in the early eighties they extended the height of the weir at Bourke and that sort of bugged the flows of the river up. The smaller flows that we normally get stopped. Before they started to hold water up north of Wilcannia and along the top and up past Bourke, I had never seen the Darling River stop running in places. There was always a trickle of water running down the Darling in the bed of the river. Actually, I used to step over the trickle of water to get from one side to the other. But these days, the water stops completely. I have seen people park their four-wheel drives in the bed of the river.

When we have no water, the social life of our Barkandji people its completely chucked out of whack. The young people have nothing to do and nowhere to go, so they run amok in the town and the crime rate rises. But when the water is in the river, the young people and the old people who can get to the river are on the river fishing, swimming, catching yabbies, and going out camping because it has water in it, and the crime rate drops. There is evidence of that. The water makes us who we are. We rely on it. I do not care whether you live on the river or if you are a property owner who lives on the river, your life and livelihood depends on it. We need it. If you are in Broken Hill, you still need it. There are a lot of people finding it very hard to make life balance out because the water in the river is up and down, and sometimes it does not flow and that sucks out your balance of

life. All I want to do is to ensure that whatever outcome we have here it is a balanced outcome and that we are all happy with it. We are not being greedy to live that way. We share one of the most natural resources that we need, and that is water. Thank you for listening.

The CHAIR: That is okay.

Mr KNIGHT: I have some points here I want to talk on. I am a Barkandji/Kurnu man, and I am one of the directors of the Barkandji Prescribed Body Corporate [PBC], which is the corporation set up to hold and manage the rights of the Barkandji native title holders. I live at Bourke and have particular concerns about the management of the northern part of the Murray-Darling rivers system. The Barkandji native title determination was reached in June 2015. We understand that it is part of the New South Wales Government policy to allocate water to native title holders through water sharing plans. An allocation to Barkandji native title holders has not yet occurred. Water sharing plans have been released by the Government since the Barkandji determination but they have not included an allocation for Barkandji people—for example, the Murray-Darling water sharing plan.

There are plans to raise the height of the main weir at Bourke by a couple of feet. This will impact on the ability of the water to flow within the Darling River and affect the life of the river downstream. Weirs have the potential to stop the passage of fish and impact on the health of the river and the fish species. Weirs also affect the vegetation upstream and downstream from the weir pools. There is also concern about the way water is managed in Queensland before it can get to New South Wales, in particular, the water on Cubbie Station and other large farms in Queensland taken from the Culgoa River. We understand that the storage dam at Cubbie Station stretches for almost 30 kilometres. In some years, the water use could be up to 500,000 megalitres. The extreme level of water used has an effect on the whole Murray-Darling system. As a result of this water use, the Darling River has regularly dried up in places.

From 2006 to 2008 and into the 2015, the river was reduced to a few pools. While this is partly because of droughts, the problem is magnified by the irrigation upstream. The corporation receives dozens of notices each year of water licences which are granted on Barkandji country. The quantity of water granted for commercial use on Barkandji country is unsustainable. Many stations have big water tanks that prevent water from flowing into the river system. This would not be as big a problem if it were not for the large stations like Cubbie Station. We would just like to get our fair share of water. It is only because of this flow now that the river looks a bit healthy. But the old Darling has taken a bashing.

The CHAIR: Mr Kim, do you have anything you would like to say on behalf of NTSCORP?

Mr KNIGHT: No. Hema Hariharan will make some final comments.

Ms HARIHARAN: I will follow on from what the directors of the Barkandji Native Title Group Aboriginal Corporation said, especially in relation to native title rights and interests. It is 19 years since the native title claim was filed and the determination was handed down in June 2015. The native title determination included a right to water, but to date we have had no correspondence from the Government indicating what that right to water involves. There is actually a Federal court determination saying that the Barkandji people have a right to water. There is nothing in any legislation that goes to that fact. In fact, the water sharing plan for the Murray River and the lower Darling River and the river water sources that was released in July 2016—a year later—says there are no native title rights to water for the Barkandji people. That is completely contradictory to the Federal Court determination. Essentially, from a native title perspective, we would like to see some consistency between the State and Federal government departments and agencies in relation to enforcing this right to water for the Barkandji people.

Kevin said that there were many notices. Statistically, over the past 12 months the Barkandji people have received 52 notifications of water licences being issued in this region. That happened when the water was in such a depleted state. We would like to see some sort of recognition of these water rights back to Barkandji people. NTSCORP's role here is to support the Barkandji PBC. The PBC holds the native title rights and interests. We are here to support them in giving their evidence today.

The CHAIR: Are you aware of any other native title groups or traditional owners who have legislated water rights in New South Wales?

Ms HARIHARAN: Yes, in the Northern Rivers region. There are two native title holding groups. The water sharing plan in the Northern Rivers states that there are native title rights and interests in those waters.

The CHAIR: Without putting words into your mouth, you are after a similar sort of guarantee along the lines of the implications of the Federal Court decision. You want that put into legislation for this group.

Ms HARIHARAN: Absolutely. We would like to see the Federal Court determination being reflected in water legislation and any other type of legislation relating to the exercise of native title rights and interests.

Mr BATES: I forgot to say something and it is important that I say it. I am talking about what happened in the Murray-Darling basin down near Deniliquin on the Murray. It comes right up to Menindee and from there on the Darling River is nothing. I understand, and I have seen it before around Hay, that the people have cultural waters. People talk about cultural flows. As Barkandji people we would like to have cultural flows down the Darling River. We would like to have our cultural waters. The Barkandji people are not irrigators. We have nowhere to store water. All the people at Wilcannia and up and down the river, we would like our cultural waters. We need them to be stored at Menindee and they should stay there. Environmental flows also help the people in Broken Hill. Our Rainbow Serpent—you had me talk about a Rainbow Serpent—it lives underground in water. It doesn't live in a pipe. As a Barkandji person we get the pipeline coming from Wentworth to Broken Hill. We need the pipeline from Menindee fixed and our water to stay there. If you put too much pressure on the Murray, it's finished—okay? We want our river flowing and we want our water for Broken Hill to come through Menindee.

The CHAIR: The Committee will ask questions now.

The Hon. MICK VEITCH: My question is about the 2016 water sharing plan and the inconsistency with the determination. What consultation was held with the Barkandji people around the development of that 2016 water sharing plan?

Ms HARIHARAN: There was no consultation with the Barkandji people. Zero consultation. It was published that the final water sharing plan was released, and that is when we found out about it, essentially.

The Hon. DANIEL MOOKHEY: Did any of the 52 water sharing plans that are in operation in New South Wales have any recognition of either your native title rights with Northern Rivers, for example, where there is a recognised plan, or any reference to cultural flows, cultural significance or anything that would indicate the concerns of a variety of Indigenous groups have been recognised?

Ms HARIHARAN: Just to clarify, when I mentioned the number 52, it was in relation to water licence applications that we have received, not sharing plans. But in terms of the sharing plans—

The Hon. DANIEL MOOKHEY: Actually, there are 52 water sharing plans.

Ms HARIHARAN: Oh! It's a coincidence then. There is one water sharing plan in New South Wales that references native title rights of interest in water and cultural flows. In terms of the other ones, I would have to take that on notice and have a look at whether or not there are mentions of cultural flows, but at this stage, having read it recently, I do not recall any mention of cultural flows in the water sharing plans. But I can take that on notice.

The Hon. PENNY SHARPE: When we asked the WaterNSW people about this yesterday they mentioned Northern Rivers. Are you able to shed some light on why the Northern Rivers was able to get this and why this has not been automatic for all of the other water sharing plans?

Ms HARIHARAN: With the Northern Rivers, NTSCORP was fortunate enough to accidentally stumble upon the draft water sharing plan where we made comments as to what needs to be included. It was not until after we did not get a response that we chased it up with the Ombudsman—sorry, actually, said that we would chase it up with the Ombudsman—that there was an amendment to the water sharing plan notes.

The Hon. PENNY SHARPE: So it is clear you need some sort of legislative mechanism to ensure that occurs.

Ms HARIHARAN: Yes.

The Hon. DANIEL MOOKHEY: There is a recognised legislative requirement for consultations.

The CHAIR: We now move to the crossbench.

The Hon. JEREMY BUCKINGHAM: Thank you very much for your submissions, which were very powerful, and for coming here today. The question I have around water sharing plans and the recognition of cultural rights in those is: how is that manifested? How is that actually represented in those water sharing plans? Is the water sharing plan for the Northern Rivers satisfactory? Do you know whether or not people are happy with it at this stage?

Ms HARIHARAN: In those water sharing plans there are essentially two sentences, or maybe one sentence, which say something like "Native title rights are held in this water sharing region," but there is actually no sort of substance behind how it's meant to be implemented. It just says there is right of native title rights in water. There is recognition of that. But as to how that is implemented, it does not talk about cultural

flows, as far as I am aware. There is recognition, but how that recognition is put into place and given effect, I don't know.

The Hon. JEREMY BUCKINGHAM: That is very insightful. I have two more questions. I did not know that there was a proposal on the table to raise the Bourke weir. Mr Knight, perhaps you could respond to that, and then maybe Mr Bates or Mr Quayle could give their view on the proposal for the storage at Wilcannia weir.

Mr KNIGHT: The Bourke situation was put on the table at the council there. It hasn't happened yet, but there's talk about it and it'd be dreadful. It'd be no good to anyone, especially the downriver people. I wouldn't like to see that happen.

Mr BATES: When we talk about a weir at Menindee, and I understand that the people down at Pooncarie—you know, the station at Jamesville—and there is another station a bit further down from Pooncarie and what happened down there with those people is they could not have their kids in the water because the white people would say they were getting sores. Also down the river, to get water through, when they put dams in they had a big pipe to let the water go through when it was going to flood. At Wilcannia, for the dam at Wilcannia, you'd have to have it because what happens is at Bourke they keep all the bad water, then it comes through and then when that bad water goes through, it kills the fish, livestock. If there's a flow and it should be anywhere along the Darling, at Menindee you can let the water through but warn the people about what's happening, but you don't get enough water to make the river flow properly, Jeremy.

What happens and what a lot of people are saying now is because they let the water through for us—that's not right. We all know that Mother Nature's doing something so they can't keep the water, right? If we put a weir anywhere, you must let that bad water go through and warn people because humans are going to drink the water out of the tap. Animals can't, right? Our livelihood—when I was 16, 14, I had to work on a station with the white, you know, the station people, to get a job. But we need those animals, whether they're native animals, whether they're sheep or bulls, that's our livelihood. Cotton? They can take the cotton and go back overseas and grow it. Not here—this is Australia. This is our country—and I am not just talking as a black person; this belongs to white people too. Protect it properly.

The Hon. PAUL GREEN: I have a question about cultural waters. Yesterday we heard about the capacity being around 30 gigalitres a year down through the Menindee and that area. Do you know what capacity you are talking about in terms of gigalitres of cultural waters being stored in the Menindee? You say you want to store it there, but does anyone know what sort of gigalitres or megalitres you are talking about? Perhaps someone could take that on notice and see what sort of storage capacity you need reserved.

Ms HARIHARAN: We can take that on notice and get back to the Committee.

The Hon. RICK COLLESS: Ms Hariharan, I want to ask you about this issue of cultural water. It is a very important point—I acknowledge that. All the major storages, including Menindee and the upstream catchment storages, have a component of water in them which has been designated for the environment. Should that water be reclassified as environmental and cultural water to try to meet those two objectives concurrently?

Ms HARIHARAN: I think that question is really for these guys.

The Hon. RICK COLLESS: I am happy for anyone to answer it.

Mr QUAYLE: Personally, when you talk about culture and the environment, our culture comes from the environment. I said this years ago: once you start destroying the environment, you start destroying our culture. I personally think that the environmental flows and cultural flows may as well be put together, and come down to just one.

The CHAIR: Provided they do not all go to South Australia.

Mr QUAYLE: Exactly.

The Hon. RICK COLLESS: That is true.

Mr QUAYLE: We should keep some there for whenever it is needed and just let it go when it is needed down that way. That was the biggest problem when they drained the Menindee Lakes.

The Hon. RICK COLLESS: What I am hearing from you guys is that the environment and your culture are essentially one, are they not; you cannot split them apart?

Mr BATES: Correct me if I am wrong, but when you talk about Northern Rivers, is that from Armidale towards the coast?

The Hon. RICK COLLESS: No, it is the coastal flowing rivers in northern New South Wales.

Mr BATES: Yes, but I mean go that way.

The Hon. RICK COLLESS: Yes, from Armidale to the coast.

Mr BATES: Okay. That stuff was there, then me, as an Aboriginal person, and from Wilcannia, around Menindee and a Barkandji person, if all our people are out that way, why didn't people from away, from down Canberra and this Murray-Darling Basin mob think, okay, we got a Darling River was flowing, and there is a little map here, and all our western river flow, and it flows into the Darling River, so, really, this, to me, as a black person from Wilcannia—but then, you know, this problem is it is a mining town. It is an historic town and it was put there for European historical stuff, I think it was back in 2015, and the other day we had this thing about—a couple of weeks ago about Heritage Near Me, you know, so everyone's heritage was talked about, but how are we going to protect this town and the history, the mining history that we all depend on if we have got no water, and the management is a bad management what I see, like at some 69 years of age, but if you went up and you talked about jobs and all that, you know, employment, we got nothing.

A lot of us people won't go down the mine, right, because it's sacred, right, but we do need it. So we need a lot of people out there. You talk about tourism. Broken Hill is dead if we don't have water in the Menindee Lakes. This is finished and we're all finished. You know, you talk about graziers up and down the river, they need that water because, like Gerald has said, your lifestyle changes when you got no water. You know, if you want proof, we got the police in Wilcannia, Walgett and Bourke to talk about our kids, black kids and white kids. They get into mischief because there's no water in the river. When there's a little trickle at Wilcannia, black people and white—excuse me if I talk like this, it is easy for me to say—they have a smoking ceremony and then thank the river for some water coming, and everyone takes a part in it, you know. So there is culture there, Aboriginal, black people's culture getting passed on, but how can we pass our culture on and talk about our nature when we got no water?

The Hon. RICK COLLESS: Thank you.

Mr SCOT MacDONALD: I want to expand on Mr Buckingham's and Mr Colless' questions about cultural water. In your submission you say there is about 8.2 gigalitres held by Indigenous groups across the basin. I am trying to understand, is the object to acquire more water access licences or is it more, as you say, being consulted and included? Are you looking for a property right is what I am trying to ask. If are you trying to acquire a property right, even if it fell under the umbrella of environmental flows, as Mr Colless said, there are costs associated with that. There are annual charges and there are fixed charges that everybody else pays. Would you be factoring that in?

Mr QUAYLE: Once again, I will say this is my personal belief in regards to the river and the cost: We get the water for nothing. We do not pay for it. So I do not see why anyone, regardless of who they are, should have to pay for it. That is my personal belief.

Mr SCOT MacDONALD: Are you looking for economic Aboriginal empowerment?

Mr QUAYLE: We are looking for economic Aboriginal empowerment and the only way we can do that is, if there is water in the river. If we haven't got water in the river, we haven't got any economic power whatsoever. If we have to buy it, we buy it, but whether they're going to let us have the water for the licence that we get is another story. I seen a lot of people, whether they're Aboriginal—but we've got some problems that are on the river and they've got—when you buy a property on the river, those licences come with it, and you pay for it. I have seen people, you know, Aboriginal groups and organisations, and non-Aboriginal groups and non-Aboriginal organisations and individuals who have got properties on the river, they pay for the licences, and they got no water. I ask, you now, the New South Wales Government, why? Why should they pay for something they're not getting on a regular basis that stuffs their lifestyle up, as I mentioned earlier.

Mr SCOT MacDONALD: I think a lot of the river pumpers would agree with you on that.

Mr QUAYLE: That is what I am saying, you know. We are in the outback here, out in the sticks, and it seems that we are forgotten people, you know, when it comes to water, when it comes to rights, whether it's native title rights or whether it's an individual's right for water, or whether it's the community's right for water. We are still forgotten. I think that it's about time that the powers that be sit down and talk to everyone like we got here now, but listen to what we got to say and take it in your head, you know, and listen to our stories. I noticed when I came in today, there has been a lot of people come in with bags, you know, trolleys and that with all their paperwork. I didn't come here with any paperwork. I just come here with what I've got in my head and what I experienced in regards to water. I'm thinking, you know, if I've got to make a statement, write a statement

out that's not going to be any good because everything I say is about experience and knowledge, and you probably already got it in the bag, anyhow.

Mr SCOT MacDONALD: On the coast you get groups like Darkinjung, which are very successful with native title claims, getting property—land—and developing it for housing and a range of uses. That is difficult here because the land is not high value, so is the alternative ascribing value to the water and building your wealth and your self-esteem and all those things, but getting economic empowerment, so water is the key for you?

Mr QUAYLE: Exactly. You know, we got properties along the river but we cannot employ a lot of the locals because of the river. You know, if you're a property owner on the river, and whether you have an agricultural property or just a stock and station property, and you're spending a lot of money to try and maintain it and keep the stock alive or try and keep the crop alive, you can't afford to employ people to go and look after the stocks and, like I said earlier, that then creates a social problem in the community.

Mr BATES: Just on your question, what you asked, now as a Barka-Wiimpatja, me as a Darling River black person, I don't see why I should pay for the water. Yes, and I need your favours. What I said in my statement was we want our cultural flows, our cultural waters stored at Menindee because we're not irrigators, right, and we see enough of the river just get raped and the water just taken out of it. I said in my statement that I want, and we want, the Barkandji people and our cultural waters, have environmental flows stored at Menindee so that they come to the city here, right? Broken Hill is what we got, and as for shopping and that, and people from Wilcannia, they're going to come here, right, so we do need water in Broken Hill.

With our native title rights, somewhere in there the Government run a little amok and now we have the people up in arms at White Cliffs saying us black people are taking their homes, their dugouts—we are not. We discipline our rights to manage our country with the help of anyone else, people of any station, any people. We want to manage the country properly, not just for the little black kids who have grown up with the white kids. We have a big responsibility in this room today to get it done right. Share the water, talk to the people from the Murray Darling Basin—I don't know if there are any here—but nobody is listening to the local people at Wilcannia, up and down the Darling and the people at Broken Hill. I thank you for coming but if it would have been managed properly, like the Northern Rivers, we would not be sitting here today talking about a crisis like we are in now. That is what we have got to think about. How are we going to do it? How are we going to stop them kids from getting into mischief?

The Hon. MATTHEW MASON-COX: Can I ask you to go away and have a think about how you would practically define cultural flows in different valley systems and how we should appropriately deal with the native title issue within the structure we currently have under the Murray-Darling Basin Plan? I ask you to take that on notice.

Mr QUAYLE: Can I just say something?

The Hon. MATTHEW MASON-COX: Yes.

Mr QUAYLE: We can do that, but I also ask you to do the same thing. What is good for us should be good for you too.

The CHAIR: That is one of the reasons why the committee system exists. You are quite correct, for most of the time the Government sits in isolation. We have local representatives spread out all over the country and there are—I will call them—interest groups that can drive their own agendas, but the problem is that generally speaking ordinary people do not get to have a say. These hearings, and the submissions that people put in, are opportunities for people to have their say. I can give you my personal assurance that any submissions that are made to this Committee will be give due credence and we will see if we can use any ideas that you come up with. We will certainly put them forward to the Government. So anything you think about please put it on paper and we will listen.

Mr QUAYLE: Thank you, Mr Chair, and the rest of the Committee, for coming out here. When Uncle Badger, myself and Kevin, or anyone else in the Barakandji people, talk about our water and our country we incorporate everyone within the claim area. I don't care whether you are non-Aboriginal or an Aboriginal, it is about time that we all sat down and started talking about what we want for future generations and try and maintain it and look after it.

The CHAIR: Badger, do you want to make a final comment?

Mr BATES: Just one more thing. In western New South Wales—I will just give you a bit of stuff going back a long time ago—we have got the oldest cremation in the world and we might be able to point out to the people in the Government who manage the water how the river system has changed. So if we went across to

the Lachlan, the Wiradjuri and all that, and Willandra Creek, that used to be a thin Lake Mungo. About 50,000 or 60,000 years ago it was formed, and they cremated an Aboriginal woman there—they call her the Mungo woman. Then things changed again and us as Barkandji people—I have a document here that I would like you to take about a fella who died about 700 years ago.

We found him up near Bourke on the Darling River. We found him with a nulla-nulla and he was busted up. This just shows that in that river 700 or 800 years ago there were yabbies in the river. That was this fella's last meal. He ate a yabby and we found the guts of it in his stomach and a bone. We are not just sitting here as Aboriginal people talking. We talk about the Ngatji. We believe what is in the river, and a lot of the people around Wilcannia, the white people, believe in it too. We don't swim at certain places. There is a document here that you can take and read, it sort of backs up what we are saying.

I keep going back to management. In, say, '96 we had a big meeting with the Adnyamathanha people from South Australia to talk about The Pinnacles, a sacred place over here. We went to Wilcannia and we had a big meeting with our elders, half have gone now, and some of the white people and we said that we did not want for the fella over on that side—

The CHAIR: You are referring to Mr Scot MacDonald.

Mr BATES: Yes. He was talking about development and all this. We said then—and this was before our native title or anything—as Barkandji people we don't want no more water licences on the Darling River. We have got our stations along the river where we keep close contact with the station people. We try and manage but what happens is that you are getting all this stuff and that should not happen anymore. We have had enough here. Like I said, without the water we are finished. Even this place here, if we are going to take the water from the Darling River it was a waste of time, a waste of money, making this a heritage listed place. The people need the water. As a black person we don't want the water to farm, we want the water to share. We want our water stored at Menindee and left alone at Menindee. Someone mentioned the South Australian people, if the Murray is so famous let the South Australian people get the water from the Murray and leave the Menindee Lakes alone.

The CHAIR: I understand that. Are you happy to table that document?

Mr BATES: Yes.

Document tabled.

Ms HARIHARAN: I have one point of clarification regarding the Darkinjung example?

The CHAIR: Yes.

Ms HARIHARAN: Just because I am nitpicky. The Darkinjung Aboriginal Land Council were granted freehold rights through the Aboriginal land rights process rather than native title.

The CHAIR: So it was a freehold process.

Ms HARIHARAN: It was a freehold transfer.

The CHAIR: The Committee has lots more questions but we have run out time. Would you be happy to take those questions on notice?

Ms HARIHARAN: Yes.

The CHAIR: Submissions have been extended until the end of January. So anything that you hear today or anything that you think of that you want to bring forward you can either add to your submission or put a new submission in. We want as much information as we can during the term of this inquiry. So do not be put off by the fact that you have already put a submission in. Any questions taken on notice will be sent to you by the Secretariat and we would like a reply to those questions within 21 days. If there is work that needs to be done by consultation within your groups or work that you need to get some science on that time can be extended. The Committee appreciates you all coming today. Thank you for your efforts.

Mr KIM: Thank you for having us.

(The witnesses withdrew)

ALAN JOHN WHYTE, Member, Lower Darling Horticultural Group and South-West Water Users Association, sworn and examined

RACHEL ANN STRACHAN, Member, Lower Darling Horticultural Group, sworn and examined

Mr WHYTE: I come from a property about 65 kilometres north of Wentworth and I represent the Lower Darling Horticultural Group, along with Ms Strachan, and the South-West Water Users Association, the local water-user group downstream of Menindee.

Ms STRACHAN: We are 60 kilometres south of Pooncarie on the lower Darling River. I represent the Lower Darling Horticultural Group.

The CHAIR: We have received a couple of supplementary papers from your group. Before we commence with questions from the Committee members, would either or both of you like to make an opening statement?

Ms STRACHAN: I would like to make an opening statement. Thank you very much for the opportunity to give evidence to the Committee. I am here today on behalf of irrigators on the Lower Darling River downstream of the Menindee Lakes and particularly the ten families who irrigate permanent plantings that produce high-quality citrus, stone fruit, wine grapes and table grapes. We are all farming families who have been in the region for generations and would like to remain in the region and continue to farm for generations to come.

The irrigation of permanent plantings is a significant component of our agricultural enterprises and underpins our family businesses. However, production of permanent plantings is becoming increasingly difficult because of reduced security of water supply from the Menindee Lakes. This is not the result of drought, which we have coped with on and off for decades. This has been brought about over the past 20 years by changes to the operations of the Menindee Lakes, upstream development, changes to water sharing policies and increasingly because of the release of high flows for environmental purposes downstream. I would stress that I am not here to whinge but to suggest options for improved management of the Menindee Lakes and the Barwon-Darling and Lower Darling Rivers.

Under the interstate water sharing agreement for the Menindee Lakes, there are triggers when the management of the water in the lakes rests with New South Wales. These triggers are part of the agreement to ensure that there is two years supply to Broken Hill and waters in the far west of New South Wales during drought. The triggers are that management passes from the Murray-Darling Basin Authority [MDBA] when collective volumes in the lakes fall below 480 gigalitres and remain in New South Wales control until volumes exceed 640 gigalitres. Over the past 12 years, when the levels have fallen below 480 gigalitres, it has been shown that there is only about 12 months drought reserve and not the two years that was supposed to be provided under the original agreement. As a consequence, there have been three separate extended periods of no flow in the Lower Darling River in the last 12 years. Permanent plantings cannot survive extended periods without water.

The period of time that the lakes will be below the 480 gigalitres drought reserve is increasing and likely to continue to increase for three main reasons: Firstly, the storage capacity of the lakes was reduced by about 25 per cent in the 1990s to prevent foreshore erosion and to protect Aboriginal burials; secondly, development upstream has reduced the flows passing into the lakes, particularly during droughts where small freshes are now taken by upstream irrigators that would otherwise have passed into the lakes; and finally, environmental water holders want to make large releases from the lakes for downstream environmental purposes. In the past two weeks the Office of Environment and Heritage has sought to make large releases from the lakes. The outcome of this will be that unless there are subsequent inflows from upstream, we are likely within the next 12 to 18 months to again have the cease-to-flow and water shortages in the Lower Darling that we have just come out of.

Given these circumstances, we are not prepared to sit back and watch our businesses that have been developed over decades slowly become sacrificed due to government policy changes and so we have recommended options that I am pleased that we can raise for your consideration. Our priority is to re-establish the security of supply that underpinned our permanent plantings. To do this, we would ask that the New South Wales Government seeks changes to the current Murray-Darling Basin Agreement to ensure that when the volumes in the Menindee Lakes Scheme fall, management control for drought reserve reverts to New South Wales when there is 400 gigalitres remaining in the top two lakes, Wetherell and Pamamaroo, and not spread across the two bigger lakes of Menindee and Cawndilla, as much of this water cannot be diverted to the Lower Darling.

We would ask the New South Wales Government and the MDBA to consider raising the full supply level of Menindee and Cawndilla lakes by up to a metre, to provide more water and to prolong the time the lakes are out of drought reserve. This could be done by foreshore and Aboriginal burial protection works similar to those undertaken at Lake Victoria, providing local Aboriginal employment. We would ask the New South Wales Government to undertake the structural works, including a regulated bank separating Menindee and Cawndilla lakes and enlarging the outlet capacity of Lake Menindee that has been proposed for the last 20 years. If none of this is possible, then we would ask the New South Wales and Commonwealth Governments to consider a structural adjustment proposal that we submitted in August 2015 that would enable the irrigators with permanent plantings to remove these and change their operations to agricultural businesses less reliant on high-security water. We could get on with our lives then and if Broken Hill's issues are dealt with, environmental water holders could maximise the water in the Menindee Lakes for environmental purposes without threatening the livelihoods of regional towns and industries. Thank you and I look forward to discussing these and other issues with you further.

The CHAIR: Mr Whyte, would you like to add anything further?

Mr WHYTE: Yes. Firstly, I thank you again for coming here. Together with a lot of other people here we would note that a lot of the river issues here have been ignored by the wider audience. I also acknowledge the validity of what "Badger" Bates and his mob were saying earlier. There is very little he says that I ever disagree with. What he said is very relevant. I come here today as a member of the Lower Darling Horticultural Group. My business is citrus production. I support what Ms Strachan has said. I am also here today on behalf of the South-West Water Users Association which represents irrigators and stock and domestic water users on the Lower Darling River—downstream of Menindee—and along the Murray from Euston to the South Australian Border. We have about 60 members and we are affiliated with the NSW Irrigators' Council.

As I will note later in my address, there have been several significant policy changes by the New South Wales and Federal Governments which have been direct causes of major problems. In every instance there has been a notable absence of any consultation with the people who live on and rely on the Lower Darling River. That includes us white fellows and Badger and his mob. We have exactly the same criticism—it has all been forgotten. I have three main points that I would like to raise with the Committee this morning: Firstly, changes to the management of the Menindee Lakes over the past 20 years have reduced the security of supply. In more recent times, the use of the Menindee Lakes to provide high-volume releases for environmental purposes in the Murray has posed a significant threat to the reliability of water in the Lower Darling and obviously, to agricultural production. The direct consequence in recent times has been a dry river with no ability to supply people, towns and livestock. These are exactly the same issues about which Badger was speaking.

Ms Strachan has mentioned the issues around permanent plantings and I will not go into any more detail on that other than to say that, if you follow the sequence of that, we end up being a threat, the less water in Menindee starts to threaten general security of irrigation and water for livestock. This has been shown over the last few years. This is the third cease-to-flow event we have had since 2003, I think. We have just had flows reinstated to the lower Darling but unfortunately that dry period was not a consequence of drought. It is very important that that be understood. It occurred specifically due to changes in policy by the New South Wales Government, specifically the increased releases for the benefit of the Murray environment from Menindee two or three years ago that reduced the reserve in the top two lakes, which is supposedly the reserve for Broken Hill and the Lower Darling. More recently, they have been allowing upstream users to pump small flows that would have otherwise got water here. Pumping small flows in dry years on low-priority licences for annual crops when you cannot supply the river, people, towns, livestock is simply wrong, but that is what has happened.

Secondly, we would support the proposed regulator between Lake Menindee and Cawndilla and enlarging the outlet capacity of Lake Menindee, and we support the suggestion that Ms Rachel Strachan made—of reinstating high storage levels, particularly in Menindee-Cawndilla, and acknowledging that there is a significant amount of work that would have to be done for protecting Aboriginal sites, if that was to happen; but there are precedents of that happening at Lake Victoria, and it has been done quite successfully. Fundamentally, what that achieves is it conserves water in the top two lakes as a reserve of accessible water for Broken Hill and the Lower Darling. It would considerably extend the water supply to the Lower Darling and Broken Hill during periods of low flow. As Badger and his mates earlier said, it would be of very significant benefits to those guys as well. If those changes came back in—and, effectively, that is restoring the reliability of supply that we used to have, but do not have now—and maybe with a bit of groundwater for absolute droughts in Broken Hill, it might make a very expensive pipeline for Broken Hill unnecessary.

Thirdly, if the New South Wales Government chooses to construct a pipeline supplied to Broken Hill—and we are not sure it is the right way to go, but it is the prerogative of governments to make those decisions—it should be done so that it covers all high-priority users who are currently reliant on Menindee, not just Broken

Hill. It should specifically include town water for the town of Pooncarie and stock and domestic water for people who live along the river; and, logically, Badger and his mates as well. To date, there has been absolutely no consultation regarding that pipeline with anyone along the river downstream of Menindee.

In conclusion, we are not opposed to providing water for the environment where there are actual benefits, although we feel at the moment that the priority is simply to get water to South Australia. Any assessment of the recent management of the Menindee lakes will show that the ecology of the Lower Darling River and the people who live and rely on it have been ignored in every decision—again, exactly what Badger was saying earlier. We support infrastructure but it should be affordable because the people who use the water will inevitably have to pay for it in ongoing cost of operation and management, and that is not a low cost. Finally, if there are going to be changes to the operations and provision of environmental flows, they should not be at the expense of regional water users and towns and cities like Broken Hill or Pooncarie, and must not be at the expense of the fine environmental value of the Lower Darling River and the anabranch. Thank you.

The CHAIR: Okay. Before I pass on to the Deputy Chair and move on to questions, Ms Strachan, part of your proposal is—not to your proposal, but your statement is—that the 480 gigalitres trigger has proved to be too low.

Ms STRACHAN: It is not too low if it is held in the upper two lakes.

The CHAIR: I understand that.

Ms STRACHAN: Where we have found it too low is that the dead storage has been spread over lakes Cawndilla and Menindee.

The CHAIR: Yes, I understand that. If we take into account your recommendation that, number one, it be held in the upper two lakes, what do you believe the trigger should be lifted to, if at all?

Ms STRACHAN: I think the trigger would be sufficient at 480 if—

The CHAIR: You think it would provide, if it was held in the upper lakes.

Ms STRACHAN: —as long as it was provided and if they accessed environmental water purely out of Cawndilla and Menindee and only accessed water out of the upper two lakes when there was like a trigger reached at Wilcannia—say, 10,000 megalitres passing by Wilcannia. At those points, you could pull water out of the top two lakes; otherwise, environmental water would need to be accessed out of lakes Menindee and Cawndilla and the water in lakes Pamamaroo and Wetherell are to maintain inner-stream flows within the Lower Darling and the health of the river.

The CHAIR: What would be your view to taking no environmental water out of the Darling system?

Ms STRACHAN: I am actually a supporter of environmental water, but it cannot be to the detriment of another valley.

The CHAIR: If environmental water can be provided from the flows from the Murray and the tributary—the Ovens, et cetera—it does make sense that you take, I will use the term "environmental water", from those catchments that can afford the flows. To me, it seems a little bit strange that you would strip out a risky basin or part of a basin just for the sake of saying that everybody has to contribute.

Ms STRACHAN: It has to be just far more strategic in how they are doing it and that they cannot sacrifice—like, at the moment, when you look into the Living Murray, there are no icon sites. Menindee is not an icon site. The Lower Darling is not an icon site. The anabranch is not an icon site. When they were making icon sites, we were in pristine health. There was not one issue at Menindee lakes. We had our blue-green algae event in the Darling in the nineties—

The CHAIR: Yes, that is right.

Ms STRACHAN: —but otherwise we had not had any of these cease-to-flows. Menindee became the golden goose that was going to answer everyone's problems and they have basically milked it dry, and now they have put our environment at—completely sacrificed it.

The CHAIR: Exactly. The term "environmental flows" or "environmental water" for the Darling is water that should stay in the Darling for the benefit of the Darling environment, those icon sites. Environmental water, really, in my view—and this is just a personal view—seems to have been confused with another term that was applied to Lake Alexandrina. In my view, it is not necessarily environmental water, particularly when you apply to the upper basin and to the rest of the Darling.

Ms STRACHAN: And that is where you cannot have the environment of one valley and then put the detriment to another valley. You need to have a stability and maintain the health of a certain valley, and if they have an excess of water in that valley, then that should be contributing to the system of the other valley, but only when there is an excess of water.

The CHAIR: My Whyte, you seem to be saying that you think perhaps there is not necessarily the benefit in the pipeline; but it seems to me what you are saying is that you feel that will probably be because someone will have to bear the cost of that and someone will be the Lower Darling users and Broken Hill.

Mr WHYTE: Look, I have got doubts about whether the pipeline is needed. If the current policy of using Menindee as the golden goose to solve everyone else's problems continues, then probably the pipeline is necessary.

The CHAIR: Right.

Mr WHYTE: But it is a fall-back position; it is plan B. Our preference is actually to fix the river, and that fixes most problems on its own.

The CHAIR: Right.

Mr WHYTE: If there is not the will to make that decision, then pipelining water to Broken Hill does come into play, but it is in the wrong place because it only covers the high-priority use at Broken Hill and it does not cover uses which, under the Water Act, are exactly the same priority, which is towns of Pooncarie, people and livestock. There is a far more logical route, which is following the road on the east side of the river, and that covers off every high-priority use there is. Then, if they want to play games with Menindee, at least everyone has got a water supply.

The CHAIR: Right. I will reverse the direction this time and pass to Mr Colless. We have 13 minutes, so let us not waste time making statements.

The Hon. RICK COLLESS: Thank you very much, Chair. Can I go back to this elephant in the room, which I think is Lake Alexandria and Lake Albert. In a water-challenged environment, like we are in western New South Wales, why should we be losing the equivalent of the total storage of the Menindee lakes in evaporation from Lake Alexandrina?

Ms STRACHAN: I think that that is an answer that the New South Wales Government needs to come up with because you cannot sacrifice your local New South Wales communities for the benefit of another state—is it actually a saveable icon?

The CHAIR: Are there any cameras in the room? Solidarity, sister.

Ms STRACHAN: One thing that you need to realise too is that Menindee lakes has more bird species here in it than Kakadu does. Why is Menindee not an icon site? Why are not some of our priorities to actual local New South Wales icons rather than other States?

The Hon. RICK COLLESS: What do you think should happen with lakes Alexandrina and Albert?

Ms STRACHAN: I do not think that I could legally say that here.

The Hon. RICK COLLESS: You are covered by parliamentary privilege.

The Hon. PAUL GREEN: You can say what you like.

Ms STRACHAN: I actually have been down there and I really appreciate the environment down there. I think they have every right to protect it. I do not agree with relying on the Murray for that because they really need to reverse the drains in Kingston south-east and assist a lot more in recovering the Coorang because the Murray is never ever going to fix that problem. Until they reverse those drains, they are not actually going to solve the problem down there and basically they are just going to sacrifice everyone upstream and still not solve the problem.

The Hon. PAUL GREEN: Mr Whyte, what are your feelings about the pipeline the Government has announced? Ms Strachan, you talked about the diverse range of birdlife at Menindee. My understanding is that Ramsar listing has been proposed for that site. Do you know anything about that?

Ms STRACHAN: I do not personally know anything about the Ramsar listing.

Mr WHYTE: As far as the pipeline is concerned, my first comment must be that it is a very large amount. I do not think there is a precise figure, and I am not even sure there is a precise plan. But the figure that tends to be quoted is somewhere around \$500 million, give or take. My personal view is that it would be a better

priority for everybody to work on fixing the problems on the river. It is exactly the same as what Badger and his mates were saying earlier. They could reinstate those small flows in dry years, which are currently being pumped out. That is fundamentally wrong. If they change the release pattern so that the purpose of Menindee is not to dilute the Southern Ocean things could be fixed. I do not like the barrages much at all and I have just had an explosives licence renewed.

The CHAIR: We can talk about that later.

Mr WHYTE: We need a somewhat more "intelligent" release strategy at Menindee, where there is a higher priority on keeping accessible reserves for the river. Unfortunately at the moment the river does not rate a mention in anything, including the water sharing plans. I detest that more than the previous speakers do. If they did that and had the river as a higher priority than water in private storage to grow next year's cotton crop, I do not think we would need a pipeline. The decision really is whether you want to benefit the river and the people who live along it—black, white or brindle, it makes no difference—or whether you want to run a strategy based on diluting the Southern Ocean, which is the focus of the basin plan. Having water for annual crops upstream is a higher priority than the river.

The Hon. PAUL GREEN: I want the witness to focus on the pipeline. Is the pipeline that the Government is suggesting from Wentworth up a good idea? Would you do that differently? If so, what alignment would you suggest, and why?

Mr WHYTE: If the decision is to have a pipeline, where they are proposing it is the wrong place. It should follow the roads on the eastern side of the river. Then it would cover off every high priority use—that is, people, towns, and livestock. It would cover the people who are currently reliant on Menindee. If it follows the highway to Broken Hill, as is currently proposed, it ignores all of the high priority users along the river—again, people, towns, and livestock. They have just as much right to water as someone in Broken Hill, yet they have been ignored. Does that answer the question?

The Hon. PAUL GREEN: Yes.

Mr JEREMY BUCKINGHAM: I want to clarify your submission. In your experience, the cease-to-flow events are a new thing. They have emerged in the last decade or so because of a change in policy which means that in dry times people are pumping for those small events. For you in particular there has been a change in the management of the Menindee system. It is a combination of those two factors. Can you expand on the issue of those annual crops? There had been a change in policy around those smaller events in the northern part of the basin. What is your reaction to that?

Ms STRACHAN: I will answer the first part of the question and Alan will talk about the embargoes. We have grown citrus at Tulney Point Station since the late 1930s. We had a cease-to-flow event in 1943 and the Burtundy Weir was then built. Menindee Lakes was built in the 1950s, and we went 60 years without any cease-to-flows, and Menindee was in pristine condition. As we said in our submission, in 2003, due to calibrations being incorrect, we had the first cease-to-flow in the Darling River because Wetherell Lake was no longer as big as they originally thought it would be. We never thought we would see a dry river again because we had not for generations. Then, in 2007 we had the millennium drought. That was again unprecedented, and we were still dealing with 2003. I personally thought that my grandchildren's children might see a dry river, but that we would not be seeing it for another 80 or so years. It was that unprecedented.

Each of the policy changes on its own does not have an impact. The problem is that there have been so many policy and management changes. They have had increased development upstream in Queensland and New South Wales, which means less inflows. They have less storage capacity in the lakes due to the protection of the burial sites and the calibrations, and there have been increased environmental flows. We have two negatives and one positive, and that means there is always less water in the lakes. We have come to the realisation that it is no longer a secure supply of water. Unless in-stream flows are maintained, we will be seeing this situation time and again. That is why we put our proposal together. We do not feel there is any longer a secure supply of water from Menindee.

Mr WHYTE: The embargoes were instituted, I think, in the mid-1990s—I will stand corrected on the precise year, but it was 1995 or thereabouts. Whenever there were shortages of water in Menindee, Broken Hill and downstream, they were put in place. They were not in place continuously, but on an as-needs basis. They technically required the suspension of the water sharing plan. I absolutely agree with the criticisms of the water sharing plan made earlier. It is a dog.

The CHAIR: For the sake of Hansard, that was "D-O-G".

Mr WHYTE: That is a bit of an insult to dogs.

The CHAIR: It is a parliamentary term; we use it often.

Mr WHYTE: The embargoes were lifted, I think, in April last year. But, again, I will stand corrected on whether it was a month or so either way. It followed a rather large amount of publicity on a Sydney radio show. Since then, small flows have been pumped. A lot of people have a fundamentally wrong idea about the Darling River system being all or nothing. People say it is flood or famine. That is simply not correct. Badger said that earlier. Again, what he was saying was right. If you look at the records, even in the driest years there are usually two, three, four, or five small flow events coming from somewhere in the catchment. They are not major floods, but they keep the water trickling past Wilcannia. That is exactly what Badger said; he is totally correct. That is what kept the river sort of wet most of the time. Since about April last year—give or take a month—that has stopped. It is a very deliberate, intentional government decision, and it is fundamentally wrong.

The Hon. PENNY SHARPE: Thank you for appearing before the Committee today. I want specifically to ask about the lack of consultation in relation to what is happening. You have clearly given this a great deal of thought, and you are putting forward some clear options. Your submission is very well thought out. When you say "no consultation", what does that mean? You talk about an accumulation of decisions. At what point have you been consulted and how does that manifest itself?

Mr WHYTE: We tend to find out about it by press release. There is no contact at the moment between anyone in the Department of Primary Industries, Water. The decision-makers at the department have removed themselves from any contact at all with the people who cop the consequences of their decisions. Again, it does not matter whether it is Badger Bates and his mates along the river, or us downstream of Pooncarie, there is literally no connection at all between the people making decisions and the people who have to cop the consequences. The river loses out of that.

The Hon. PENNY SHARPE: There is obviously a long line of decisions, but I will deal with the pipeline. Has there not been a meeting with lower Darling users in relation to the pipeline?

Mr WHYTE: All I have seen is press releases, and I am a water junkie.

The Hon. PENNY SHARPE: Has no-one come out and had a look at your proposal?

Mr WHYTE: No. Absolutely nothing.

Ms STRACHAN: It is our livelihoods that are putting on the line here. The Government keeps putting about the triple bottom line of social, economic and environment; we have seen in the last two years the failed triple bottom line of social, economic and environment in the lower Darling. This should really be taken as an opportunity to consult with stakeholders. We see ourselves as stakeholders. I am not quite sure of the Government's definition of stakeholder, but we are not getting any stakeholder consultation at all unless it is actually instigated by us. Some departments will respond more quickly than others or make themselves approachable, and others are very shut off to dealing with customers.

The Hon. PENNY SHARPE: I was going to ask you about that in relation to the Murray-Darling Basin Plan Authority and the Commonwealth Environmental Water Holder. You interact with all of them. Is it a problem across the board? It sounds to me as if it is also a problem of a complete lack of coordination.

Ms STRACHAN: I think the departments need to start working together as a united team. You look at us as all farmers or all Menindee or Menindee Valley people. We are all out here in the Western Division, those people out there. We look at you as government. I do not look at you as Labor Party, Liberal Party, DPI, WaterNSW: We call you government, under one banner. It would be really appreciated if you could actually be a little bit more united for the good of Australia rather than against each other and not having a united team. We really feel that that is what is lacking. Because those teams within your Government are not working together, the long-term prosperity that we are trying to provide in generational farms is being treated detrimentally because of, I think, some rather large egos.

The CHAIR: That may well be a key statement in the whole of this inquiry. Thank you very much for that.

The Hon. MICK VEITCH: I can see by the looks on your faces that there is a lot more detail you would like to provide and we have a truncated time frame, so if you go away and think of things, feel free to send them to the Committee. I think we would all appreciate that. My question relates to what I refer to as the famous drawdown for environmental water flow a couple of years back. Can you detail the impact of that on the groups you represent?

Ms STRACHAN: I was going to say it would probably take an hour to explain that!

The CHAIR: Use really heavy words and say it the way you feel. You are under parliamentary privilege.

Ms STRACHAN: We set up our properties having one of the safest security of supplies of water within Australia. In the 1990s some people on the Lower Darling were encouraged by DPI to plant permanent plantings on general security licences because year in, year out we got 100 per cent general security and 100 per cent highsecurity. That has been undermined in the last decade and a half, and it has all been through government policy change—not because of drought, not because of markets, not because we are bad farmers or anything but because of policy changes that we are not getting consulted about at all. It is having a massive impact on us being able to be agriculturally productive and provide significant benefit to our own communities and the agricultural landscape.

The other part of it is that we are not corporates; we are all family farms and we are protective of the environment in that we want to leave it better for our generations to come. We are not there for a quick buck; we are there to really protect and enhance our local community and our local environment. The hit that it has taken on us has been massive through poor-quality water. Salt impacts on what we are trying to grow. Our crops have been halved in terms of what we are actually able to produce. We have pulled trees out earlier than what would have been our business plan.

We have now got our backs against the wall and cannot make business plans because we do not know whether we have a security of supply of water. Should I be ordering in orange trees? In 2012, when the lakes were above 100 per cent capacity, we ordered in cara cara orange trees. We had \$30,000 worth of trees on order and we planned to plant them in 2015, because you have to grow out the root stock, do the grafts, then receive them and plant them. But in 2015 we did not have any water, so we had to cancel all our irrigation and we had to cancel \$30,000 worth of trees. Then we get to 2016 and we have water again. Do I order those trees again now? Am I going to have water in the next 18 months if they take an environmental flow now? We are so hindered in making business decisions that we just cannot. We need either the proposal to go through or to have the New South Wales Government say, "We can provide you with a secure supply of water for critical human needs and highsecurity in the Lower Darling."

Mr WHYTE: I cannot add to that.

The CHAIR: Mr Veitch mentioned that this is a long inquiry. We are not going to put out recommendations until November next year. Given some of the things that have happened, we might very well discuss among ourselves the fact that we have put some interim suggestions to the Government specifically in relation to consultation and pipelines in this particular valley. This is the first of our case studies, so we will probably move towards that, but what we really need is a crystal ball. You mentioned before that, if there is to be a pipeline, it should be on the side of the river where you can put off-tanks on it—I assume that is what you are talking about.

Mr WHYTE: Yes, that is correct.

The CHAIR: Therefore, would you need to increase the size of the pipeline to increase the amount of water so that the water desired at Broken Hill still gets there but you can take it off on the way up? That is the first question. The second is: if you were given that security—and it sounds to me like it would be pretty secure, other than failure of the pipeline—what sort of increased economic output do you believe your group could put on the table?

Mr WHYTE: There is one thing to preface the answer to that question with: Both Rachel and I hold irrigation licences and highsecurity licences, and we grow irrigated citrus in my case and citrus and grapes in Rachel's. There is no proposal at all, and the economics would never add up, to use the pipeline to Broken Hill as a supply for irrigation water.

The CHAIR: So why put it on the western side of the river?

Mr WHYTE: For stock and domestic use of the people who live on the river.

The CHAIR: Sorry—I misunderstood what you were saying.

Ms STRACHAN: I think you need to appreciate the Lower Darling from Menindee weir 32 down to the Murray influence there are 200,000 head of sheep that water off the Lower Darling. It is pretty significant. There are 60-odd family farms that are also in that vicinity. If you put the pipeline from the Murray influence up towards Pooncarie and follow the road up to Menindee, you would pick up all those pastoral properties and the towns of Pooncarie and Menindee. Then, if you refurbish the pipeline between Menindee and Broken Hill, you have already got all the easements, you have already got the pipeline there and you have already got all the lifting stations and the infrastructure. The information we have is that the proposal we are putting up is far

cheaper and far more efficient than running it up the Silver City Highway. We are trying to work out if there is another solution: At the moment it is only one solution of providing Broken Hill with water and it is not looking at the whole party. They are still going to have a mess every time the river goes dry if they do not have that critical human needs pipeline put up the Lower Darling.

The CHAIR: What do you need in your part of the world for your grandchildren? What sorts of solutions do you see we need? Do we need to put more water into the system? Do we need to use it better? Do we need to think about these so-called environmental flows to South Australia? What sorts of solutions would you put on the table?

Ms STRACHAN: All of the above, but we have to make sure that critical human needs are maintained. I thought part of the MDBA's protocol was that it wanted to increase in-stream flows, which is the health of the river. If you are having rivers stop which do not naturally stop, that is not creating in-stream flows and making things better. I think it is actually worse than what it was 10 years ago.

The CHAIR: Most people seem to forget that the start of improving the health of the river was aimed at taking the salt out of the Murray. That is where it all started. Nobody ever mentioned the Darling because, as you quite rightly said, 30 years ago, you had the best guarantee of water there could be.

Mr WHYTE: If you wanted a really simple comment about the change of emphasis, in respect of achieving results in anything, you have actually got to start people thinking about what is the principle, what is the priority and then work out the detail afterwards. Could I suggest that the key message is put the river first, not last. Currently it is last, and that is wrong. If there is water in the river, if you are looking after the river, if you listen to what Badger and his mates were saying earlier, that is really what they are after. If you have got water in the river, you cover off the high priority uses, which are people, towns, lifestyle. That is the Water Act, amongst other things. At the moment, the river and the people who live along it are treated last. Really, it should be first.

The CHAIR: With a pre-descriptor before river of Darling. Is that what you are talking about—the Darling River?

Mr WHYTE: Yes.

Ms STRACHAN: All rivers need the same protection.

The CHAIR: There seems to be lots and lots of water flowing down the Murray and down all those channels, but out here it is critical.

Mr WHYTE: Yes. One of the comments made earlier related to the water sharing plan. I will not use that three-letter word again, but I think you probably understand what I think of it. There is no provision at all in those water sharing plans about the river, and the operations at Menindee. There is nothing about the river. If you go to the water sharing plans upstream, the Barwon-Darling or the tributaries, there is nothing about the river downstream.

Ms STRACHAN: Following on from Mr MacDonald's question to Badger before, he was very keen on the economics of it all. If you actually looked at the economics of what it has cost the New South Wales Government, they put in \$800,000 worth of blocked banks to keep our permanent plantings alive; the amount of money it has spent to fly helicopters along there trying to work out water quality; the cost of the contingency measures of bores; the cost of this pipeline; the problems they have just had in the Murray when they washed all the crud out of our section of the river into the Murray, that has also taken so much more. You have to look at the economics—how much does it cost to rerun these rivers and what economics are you losing in these agricultural economies, like our local economy, that you would have otherwise had. It is all well and good to say that the cotton growers may have got their crop and they have been able to be very productive and Cotton Australia are proactive and obviously a very strong lobby group, but it cannot be to the detriment of the New South Wales Government having all these additional costs and the losses to other industries that are generally family farms of generational capacity.

The CHAIR: As somebody said before, if they looked at this group in this room, and saw the Government, you are right, we all play a part. The crossbenches sometimes play a small part and sometimes a big part. Opposition play a part, because one day they will be the Government again, there is no doubt about that. It surprises me—no, it does not surprise me. It is interesting that you think \$500 million on a pipeline is a lot of money yet we blew \$500 million on a light rail system that never happened, but that was in Sydney, so that is different.

The Hon. PAUL GREEN: And an IT system.

The CHAIR: We have run out of time. I wish we had a plan so that we could have an hour and a half for each of you, because this is getting really good. I will reiterate what the deputy chair has said. We need more from you. I know this has been truncated and we have not had time to flesh out half the questions we wanted to ask. I am sure Committee members will want to send you questions on notice. They will come in writing. If you could try to respond to those within 21 days, given your requirements to run your businesses, and anybody that you talk to outside of your group, tell them that this inquiry is open. The door is open. We want submissions, we want ideas. We want people's feelings. If you feel that you have been unrepresented or not represented at all in respect of consultation, then say it. Say it loud and clear and keep on saying it. Thank you very much for your attendance here today.

Ms STRACHAN: Thank you very much for the opportunity.

Mr WHYTE: Thank you.

(The witnesses withdrew)

DENNIS MICHAEL ROACH, Public Officer, Broken Hill Chamber of Commerce, affirmed and examined

The CHAIR: Before we commence with questions, would you like to make an opening statement?

Mr ROACH: Yes, I would. I think it would help the presentation if I gave a little background about myself first. I am not an A-lister; I was not born in Broken Hill. I moved here seven years ago so I am a B-lister—a blister, as it is sometimes known. My background is working with the Australian and New South Wales governments as well as with private industry. For nine years before I came to Broken Hill I was the manager of the New South Wales Community Legal Centre program with Legal Aid NSW. I have had quite a bit of experience out here in the western region. Prior to that I was a project officer for the Aboriginal and Torres Strait Islander Commission as well. I have travelled extensively in this region. Whilst living in Broken Hill, I am running a small part-time consultancy business, assisting small businesses and community groups to deal with government—that maybe making application for funding, dealing with obtaining licences or the transfer of licences and things like that. That is basically my background. I have worked with the chamber of commerce for the past four years.

The Hon. MICK VEITCH: The chamber of commerce submission talks about the draining in recent years of the Menindee Lake system during the short period of several weeks and the impact on local businesses here and also at Menindee. What were the longer term impacts of that drawdown, particularly on the small business operators here in this part of the State?

Mr ROACH: It was a fairly widespread affect first of all on Menindee. Menindee, despite the distance—out here it is a very short distance—is a sister town. The economic impact on Menindee was when the water went, so went the tourists. Tourism dropped significantly out that way. It has had an impact on Broken Hill and businesses here as well because, as an example, the wholesalers supplying the local shops, local restaurants and local pubs are here in Broken Hill. So if business falls off in Menindee, it also falls off in Broken Hill. The draining of the lakes at Menindee had quite a significant effect on tourism here in Broken Hill as well. There was quite a bit of adverse press around the country on the blue-green algae that was forming and the fact that the lakes had no water in them. People got the perception that the area really was not worth coming to visit and was not safe. The numbers dropped quite significantly.

The Hon. DANIEL MOOKHEY: I have three questions dealing with the pipeline. Firstly, were you consulted about it?

Mr ROACH: You are talking about the new pipeline?

The Hon. DANIEL MOOKHEY: Yes. Were you consulted about it? Do you support it? What views do you have about the likely costs that businesses will have to incur for the pipeline relative to any savings you think the pipeline could deliver?

Mr ROACH: In the first instance we were not specifically consulted. We were, as we invariably are, invited to a number of forums to attend and, if we wanted, to make comment. The difficulty for the chamber of commerce is that we are only a very small organisation. We are basically a part-time organisation. I am not paid, I am a volunteer. We have one part-time employee. Now that employee, who did attend some of those meetings, has now gone. Her partner moved back to Melbourne for work purposes and she went with him. We had minimal chance to be able to offer our views on it. Our main concern is about the cost because we are aware that the New South Wales Government has said that it will pay for this new pipeline out of the proceeds of the sale of the poles and wires. In theory it is great that the pipeline will be built, but it will also have to be maintained and operated.

Our real concern is that the cost of that will be factored into the standing charges for water for the city of Broken Hill. It will not matter if businesses and the local community cut their water usage, the real cost will be in the standing charges because that pipeline will have to be maintained and it will not be a cheap thing to maintain. Now Broken Hill businesses already pay a fairly high price for water. I can give you an example of that without naming the business. One of the local earthmoving businesses, which is part of a national chain, pay nearly \$10,000 a year in water. That is mainly used for the maintenance of vehicles—washing them and the like. Its sister business at Whyalla in South Australia, pays less than a quarter of that. Other businesses in Broken Hill are already affected by the high cost of water. Now if this pipeline, and it will have to be maintained, will add a significant impost onto what are already pretty stretched businesses.

The CHAIR: I remind all the people in the public gallery to turn their phones to silent.

The Hon. DANIEL MOOKHEY: In terms of the ability of local Broken Hill businesses to absorb higher water charges, working on the presumption that there might be a higher water charge, do you think that those businesses have the capacity to absorb higher charges?

Mr ROACH: Not really, no. This city has a population of about 18,000 to 19,000 people. The businesses are geared to providing the necessary services here and we are sort of, if you like, the business hub for the Far West. We are the only major city in the Far West. It is not just the price of water, the additional costs on businesses here compared with elsewhere are quite significant. Fuel costs are very high. Admittedly the price of petrol and diesel at the moment is lower than it has been, for a long time there the cost of petrol and diesel was around \$1.54 litre. That was a significant impost. The cost of electricity out here has absolutely skyrocketed. Businesses out here, particularly if you are in a business like running a restaurant or in the tourism industry, your electricity costs are going to be high. It gets very hot out here in summer, so you are going to have run your air-conditioning pretty much 24-7.

We are getting more and more people coming out here in the summer, because caravans are air conditioned now. But people also do not realise that this is a very, very cold city in the middle of winter. It is not unusual for the temperature to drop during the day down to nine degrees. So you have to pay for the cost of heating as well. The costs on businesses here are high and not many businesses here are making significant profits, we will put it that way. Particularly the businesses represented by the chamber of commerce. We do not represent the massive big industries here like the mines or the major engineering and earthmoving companies and the like, we represent the smaller medium size businesses and the sole traders. And sole traders here often are working for what is really only a wage; they are not making a profit but are just making a wage.

Mr JEREMY BUCKINGHAM: How has the economy of Broken Hill changed? I know it has changed enormously in the last hundred years but in the last 10 years? How important is tourism now? Do you have figures on the proportion of people employed in the tourist and service sector and those small businesses such as cafes and those types of things, compared with how it was 10 years ago? How important is the Menindee system to Broken Hill, in terms of tourism, if at all?

Mr ROACH: I will answer that question in a backwards fashion. Menindee is significantly important to tourism here because Menindee Lake is world famous. It is not just the Menindee Lake itself, Kinchega National Park is also an attraction down there. So it is very important, it is one of the reasons people come out here. But when they come out here they do not just come for Menindee, they come for Broken Hill, they come for Silverton, they come for the wider region. Broken Hill is the largest service area, it has the most motels, hotels, restaurants and other entertainment facilities. I do not have the current figures with me but my understanding is, about 20 per cent of employed people in Broken Hill are in the service industries that would deal with tourists.

The Hon. PAUL GREEN: In regards to the pipeline, we have had some witnesses suggest that the half-a-billion-dollar pipeline may not be the right way to go and that we should focus on fixing the Menindee pipeline, given its infrastructure age and vulnerabilities. What is the chamber's view on the pipeline issue?

Mr ROACH: It is varied, because a lot of the members of the chamber of commerce are strongly supportive of a pipeline from the Murray because they want security of water. That is the first thing they will say and the next thing they will say is: But how much is it going to cost? We have not been able to get a satisfactory answer from the New South Wales Government as to what the service charges are going to be to maintain it and it is not a short-term thing. Once that pipeline is built, it is going to be here for a long time and it is going to have to be maintained and as it gets older it will cost more and more to maintain. Many of the businesses in Broken Hill though would rather see the pipeline to Menindee repaired and maintained and our water supply coming from there.

There is a perception that this new pipe is really being put in to make sure there is an adequate water supply to the massive new iron ore mine which has been suggested to the south of Broken Hill. There also are other mines. I have no evidence as to that, that is purely anecdotal but there is that perception. Because, even at the worst of the drought, with the water restrictions, people here were of the view that, if the water had not been released from Menindee Lakes and it still had a reasonable amount of water in it, we could have lived with the water restrictions—which we were doing. Businesses in Broken Hill have adapted to the fact that we have had water restrictions.

I have also handed to you a copy of a paper that the chamber prepared in 2014, a submission on prices to the Independent Pricing and Regulatory Tribunal [IPART]. I thought it is a good background paper because it details the issues around Broken Hill relating to the importance of water. I have friends in Melbourne who have rung me in recent months because they have been reading reports in the *Age* in Melbourne and on ABC Radio about the high lead levels in Broken Hill. Water is a critical issue to keeping the lead levels low because we

need to damp down the topsoil and also, by maintaining adequate parks, gardens and lawn, it significantly holds down the lead levels.

The Hon. PAUL GREEN: Are you able to provide—because I have not seen it anywhere—you talk about the pricing of Broken Hill's water, as opposed to Sydney. Do you know the commercial per kilolitre charges?

Mr ROACH: No, I do not know.

The Hon. PAUL GREEN: The council might know that. Do you know the percentage of commercially used water, as opposed to the urban use of water?

Mr ROACH: No, I cannot answer that.

The Hon. PAUL GREEN: Thirdly, in terms of the pipeline from Menindee across, is the chamber of commerce confident—expecting that Broken Hill's best days are ahead of it—that it would be able to absorb the growth increase that may come if certain mines were to open in the future?

Mr ROACH: We are quite optimistic. We do not represent the mine owners though and I have to make that clear. But we are quite optimistic. The latest information from ABC Radio this week is that Perilya is about to reopen the north mine, which will create 150 jobs and the Carpentaria iron ore mine to the south, they are now predicting there will be 1,000 jobs in the construction phase, with a permanent staff of around 600, with the life of the mine being 40 years. They were asked whether they would have fly-in-fly-out [FIFO] and they said no, they will not. So the most likely place that those miners will live and undertake their economic activities is here in Broken Hill. We perceive that there is going to be a significant economic benefit from that. There is also going to be an economic benefit from the proposed Silverton wind farm. That will create, in the long-term, about 16 or 17 permanent jobs. Not big numbers for a capital city, but for a city like Broken Hill, that is 16 or 17 incomes coming into the town that will be spent here.

The Hon. PAUL GREEN: Do you know what the capacity of the water treatment plant is in total at Broken Hill? What is the total capacity of Broken Hill, if it were to have an explosion of population?

Mr ROACH: I am sorry, I am not technical enough.

The Hon. PAUL GREEN: That is probably another one for council.

Mr ROACH: Yes.

Mr SCOT MacDONALD: This was 2014, do you see yourself putting a submission into IPART about the pipeline, if it goes ahead? Just remembering that IPART is tasked with considering equity. You will put that together?

Mr ROACH: Yes, we certainly will be putting in a submission to IPART on that. We believe that we have to put as much pressure as we can on all such agencies because all these things impact on businesses in Broken Hill. There are approximately 1,000 small businesses in Broken Hill at the moment. We only represent about eighty of those directly, but we also have a program Small Biz Connect, where we have assisted 350 people to set up a business in Broken Hill and a significant number of those have already done so. So we believe that we have a responsibility to help those businesses to be able to develop in Broken Hill and to provide for a better life in Broken Hill as well.

Mr SCOT MacDONALD: You are a bit critical of some of the support around tourism—I think that is mentioned—and small business. You think the State Government could come in behind you more?

Mr ROACH: We would like to see the State Government getting more involved with it. There have been a couple of attempts to set up peak bodies on tourism out here, but unfortunately they have come unstuck. I think they are mentioned in our submission.

Mr SCOT MacDONALD: Yes.

Mr ROACH: What we need out here—tourism out here, at times, can be uncoordinated. The chamber of commerce's office is actually located near the Visitors Information Centre. We often get people who drop in their thinking that we are the Visitors Information Centre because we hand out maps and brochures as well, but people do say that to us—that they are finding it difficult to be able to get around. There is not much public transport here. There is no public transport, virtually, to any of the major tourist sites. You either have a car or a bike or you have someone who can give you a lift. We would like to see the New South Wales Government working more with this community, working with the council, working with the chamber of commerce and other agencies here to develop a more integrated tourism plan.

Mr SCOT MacDONALD: I will quickly finish. Would you see the New South Wales National Parks and Wildlife Service as part of that solution?

Mr ROACH: Very much so, yes. National Parks and Wildlife at one stage were a member of the chamber of commerce, and one of its senior officers was the president; but they have tended to back off from the chamber.

The Hon. MATTHEW MASON-COX: In relation to the northern basin review, that did not pick up Broken Hill, from memory. Do you have any comments in relation to that sort of analysis and process that was applied in that review, and how that might take place in Broken Hill and farther south?

Mr ROACH: I am actually not familiar with that review because the other executive officer was looking at that. When she left, she took the knowledge with her. I had given up being the executive officer because I had a significant health issue, so I lost a bit of knowledge there.

The Hon. MATTHEW MASON-COX: If you wish to take that on notice, if that is something you would like to respond to, you are welcome to do so.

Mr ROACH: I would, actually, yes.

The Hon. MATTHEW MASON-COX: That would be good. In relation to the proposed Carpentaria mine, how far south of Broken Hill is the mine site?

Mr ROACH: My understanding is it is about 80 kilometres south of Broken Hill. It is a pretty big site. I am not sure where they are going—

The Hon. PAUL GREEN: Sixty kilometres.

Mr ROACH: Sixty, is it? There, I have been corrected. It is 60 kilometres south of Broken Hill.

The Hon. MATTHEW MASON-COX: I just want to clarify this: Have you seen any proposed pipeline routes at all?

Mr ROACH: I have seen a number. The chamber of commerce has actually had a few people come through and give us presentations. These people are looking to make a bid. In fact, one was even pre-empting that they were going to make a bid to the New South Wales Government before the Government had even announced that it was going to consider a pipeline. But they have proposed a number of pipelines. They are all pretty straight. It is easy to lay out a straight pipeline out here. I have also seen the pipeline networks in South Australia because at one stage it was considered feasible to bring water from South Australia as well, connecting to the pipe around Port Pirie.

The Hon. PENNY SHARPE: I am very interested in your comments around the impact of the publicity and the reality of the Menindee lakes being drained, particularly the impact on tourism operators. Could you provide a bit more information to the Committee on the rise of nature-based tourism and the importance of the Menindee lakes within that, and whether you have a view about Ramsar listing?

Mr ROACH: Nature-based tourism is a big issue around here. There are actually a lot of small providers who, with a bit more encouragement and a bit more financial backing and support, would grow and blossom. We had an example of this when I first moved here seven years ago. Broken Hill was going through a wet period—at the heaviest rain it had in years—and it is probably going to happen again this year, too. The plant life changes. Seven years ago a variety of Sturt's desert pea appeared that had never ever been seen before. It was a new subspecies. I just know from my own little plot of land here that the plant life on there at the moment is totally different to what I would normally have. The weeds—some of the weeds I have never seen before and some of them are pretty little flowers, and things like that. But I am getting off the track.

Nature-based tourism is a big thing. It will be the growing industry out here. Europeans in particular come out here and they want to see the birdlife. They are a bit jaded about the idea of seeing kangaroos and emus because they are not the novelty that they once were.

The Hon. PENNY SHARPE: There are a few of them around.

Mr ROACH: There are lots of them. But they come out because—one of the previous speakers mentioned about the variety of bird species at the Menindee lakes, and it is quite something to see. I go down there myself from time to time just to watch. There are a number of small operators here that I know are looking to target that industry.

The Hon. PENNY SHARPE: Just as a follow-up question, in your submission you are very critical of Destination NSW and the way in which it is trying to deal with the restructure. Are you able to provide the Committee with an update on how that is going and what you feel the Far West needs through that process?

Mr ROACH: I would not say that we are very critical of them, but what we are concerned about is that there seems to be an awful lot of talking about it but nothing ever happens and a lot of planning that does not seem to go anywhere. I have views about planning. Unless you have an objective of what you want that planning for, it is a waste of time to do it. You want to be able to use that planning for something of value. I think that is the problem out here, and it is an issue in the Far West with a whole range of things like that that come from government. I do not want to be too critical of government because it comes with good intentions, but there is an awful lot of planning that does not go anywhere.

What we would much rather see is planning out here that is more community focused and getting more community groups involved in that as well. The difficulty with some of the organisational planning out here for tourism bodies and so forth is that it is the same people. They just keep reinventing themselves.

The Hon. RICK COLLESS: I want to go back to the issue of the pipeline, Mr Roach, if I may. You mentioned concern about the unknown cost of management of a new pipeline. You would of course be aware of the problems with the existing pipeline and the maintenance costs currently being experienced by Broken Hill Water in looking after that pipeline.

Mr ROACH: Yes.

The Hon. RICK COLLESS: Obviously, into the not-too-distant future it probably needs a complete reconstruction anyway. Given those issues, do you think there is a bit of a balance there between the cost of a completely new pipeline with a greater security of supply from the Murray as opposed to reconstructing an existing pipeline where there still will be some concerns about the security of supply from the Menindee system?

Mr ROACH: I think the concern that we have is that there has been a longstanding agreement with the New South Wales Government about subsidies to maintain the pipeline from Menindee. We have argued in favour of that subsidy for a number of years. This Independent Pricing and Regulatory Tribunal submission that I gave you a copy of it does mention that. What we are concerned about with the new pipeline from the Murray is that we cannot get an answer from government as to how much it is going to cost to maintain, or what sort of cost-recovery process it is going to put in place.

We have had this experience with the gold-plating of the poles and wires and the price of electricity. The price of electricity rocketed because so much money was spent on infrastructure and the like. We are concerned that a similar thing will happen with the pipeline. We live in a time of stringent economic rationalism and user-pays. However, the reality is that if the this pipeline costs \$500 million, as is suggested, it will be a pretty sophisticated thing. It will require quite a bit of maintenance, and that will cost money. This pipeline is being put through for the benefit of Broken Hill. We appreciate that, and I make that very clear.

However, the cost may be prohibitive. We are not only looking at the cost to business in this town, we are also looking at the whole community. We have a high proportion of elderly people living here; the percentage of pensioners is quite high. They will not have the capacity to pay. If they have to pay, which they would, that is money that will not be spent at businesses in Broken Hill. It will put the city back into an economic recession.

The Hon. RICK COLLESS: When you say the Government has not given any estimate of the management and maintenance costs, I am sure you know that that is a matter for the Independent Pricing and Regulatory Tribunal. That is why the Government is unable to furnish those figures as yet. As you know, the tribunal will take all those things you mentioned into consideration, especially in relation to the elderly, when it makes recommendations about how the costs should be distributed.

Mr ROACH: We sincerely hope that is the case. For that reason, as I have said, we are not opposed to the pipeline, but we want clarity around its operation. Broken Hill needs to have to a secure water supply at a price it can afford. We do not want eternal poverty because we are paying for all these additional facilities. Because of the tyranny of distance and the fact that we live on the edge of the desert, we have these additional needs.

The CHAIR: Mr Roach, thank you very much for appearing before the Committee today. Members will have further questions, and they will be sent to you by the secretariat, so you do not need to write things down. The Committee would be grateful if you could provide answers within 21 days of receiving the questions. Thank you once be again.

Mr ROACH: I thank Committee members for their patience in listening to me stumble through this. I would be more than happy to provide any further information the Committee requires. I tried to anticipate the sorts of things that the Committee might want. However, when I noticed how technical it was, I realised that I should have anticipated a bit more.

The Hon. MICK VEITCH: I would like to put on the record our appreciation of you putting up with our stumblings as well.

(The witness withdrew)

MARION BROWNE, Councillor, Broken Hill City Council, affirmed and examined

The CHAIR: Would you care to make an opening statement?

Ms BROWNE: I apologise that I have only just arrived and that I have not heard the previous presentations. It is possible that I will repeat what has already been said.

The CHAIR: That is fine. It is your opinions in which the Committee is interested.

Ms BROWNE: I thank the Committee for the opportunity to address these matters that have long concerned the Broken Hill City Council and the community that it represents. The Darling River has been described as the "forgotten sister" of the Murray-Darling system. Unfortunately, she is now more like the poor Cinderella sister who has been abused and exploited and made over until she has only a faint resemblance to the way she once was. The council's submission addresses in particular points (b), (d), (e) and (f) of the terms of reference of this inquiry. Since the 1960s, the Menindee Lakes have been important to Broken Hill both as a water supply and as a recreational resource. Up to the present time, despite the natural ebbs and flows of the river, the lakes have always been able to supply the city with water. During the millennium drought, around the turn of the century, the situation became critical, as it has during the past year. In both cases it could be argued that over-extraction from the river north of the lakes coupled with excessive drawdown from the lakes have been contributing factors.

The decision by the New South Wales Government to "solve" the problem of Broken Hill's water supply by building a pipeline from the Murray River begs a number of questions. As has been stated, one of these is cost. First, this community relies on an affordable water supply to be able to maintain a decent living environment. There is great concern that if the Government tries to recoup the cost of construction of this pipeline from the community—which I understand is Infrastructure NSW's policy—the community will not be able to pay. I am not speaking only for residents because the council is also a major water user. There is often a great deal of emphasis on the ability of less wealthy residents to pay; it is also a local government issue because it is responsible for maintaining public infrastructure. A reduction of vegetation around the city will have significant economic and health repercussions. In some ways, the timing of this inquiry is unfortunate. If the members had visited the city a few weeks ago before the recent rains, the effects of lengthy water restrictions on public and private land would have been very obvious.

Secondly, there is anxiety about what will happen to the lakes if the pipeline is not built and there is a requirement to sequester the equivalent of two years' supply of water for Broken Hill. The Menindee Lakes are enormously important for recreation, fishing, and holidaying for Broken Hill people. The economic survival of our neighbour Menindee will be dependent on there being water in the lakes. Many Broken Hill and Menindee residents have a considerable economic stake in the area. The consequences for the amenity of the area, not to mention its environmental values, would be severely compromised if there is to be more rapid draw-down of the lakes. That is certainly part of the proposed infrastructure, and it is mentioned in our submission. The council is concerned that infrastructure improvements or changes that have been proposed for a number of years have not been progressed. It seems to many that the environmental needs of this area are being sacrificed to serve the environmental needs of the river system further downstream.

Broken Hill City Council has included in its list of priorities a request that the Government support an application for the Menindee Lakes to be recognised as a Ramsar site. Apart from the intrinsic value of such recognition and the acknowledgment that it would give of the importance of the lakes as an iconic site within the Murray-Darling Basin, this could have very significant economic value to this area through its contribution to tourism and the opportunities it could make available for job creation at both Broken Hill and Menindee.

The Hon. RICK COLLESS: Thank you, Councillor Browne, for coming in today and for the council submission, in which you talk about a trigger point. There has been quite a bit of discussion about upper and lower trigger points and when things should start to happen. One of the submissions we received suggests that other lakes in the upper lake system—lakes like Tandure Lake, Bijijie Lake and Balaka Lake—should all be regulated as well to keep more water in that upper lake system for the benefit of the Broken Hill water supply. What is your response to that?

Ms BROWNE: I think the concern with the trigger point has always been that the water that is measured is not necessarily accessible water, so it seems rather pointless to have water that cannot actually be used for the purpose that it has been saved for. I suppose that again comes down to the engineering changes that have been proposed to ensure that the water that is retained is accessible.

The Hon. RICK COLLESS: If we were to have a system where there was more water stored more securely in the upper lake system, it may in fact be possible to reduce that trigger point from 480 to something like 400, for example.

Ms BROWNE: I do not know that council would be prepared at this stage to endorse that. I know that has been suggested but I think we would have to wait until those works were done and see.

The Hon. MATTHEW MASON-COX: I presume council is supportive of the pipeline, assuming the management maintenance costs and the operational costs were in line so that there was no unforeseen increase in prices for local residents. Is that pretty much your view?

Ms BROWNE: Council has not opposed the pipeline per se, but council has sought—unsuccessfully so far—a copy of the business case for the pipeline in its present proposed form. I do acknowledge that recently the council—and I am not sure about other organisations—has been briefed by Public Works about this, but its brief is necessarily fairly limited. From the council's perspective, which I am representing today, we have not been given that information, which the Government did undertake to do.

The Hon. MATTHEW MASON-COX: Do you have a view as a council as to the best route for the pipeline?

Ms BROWNE: I suppose again it comes down to cost. I am no engineer but the council's view, looking at the interests of Broken Hill, would be the most practical and ultimately economic route for that pipeline. I know there are other issues there. The point has certainly been raised that the pipeline could have served other communities, and I can certainly see the logic and the reasons for that, but as far as council's position, which I am representing today, council has no view on those engineering aspects.

The Hon. MATTHEW MASON-COX: Broken Hill water is owned by council, is it not?

Ms BROWNE: No, Essential Water, which is part of Essential Energy, is the water operator. Council is a customer of Essential Water.

The Hon. MATTHEW MASON-COX: Can you comment on the efficiency of the subsidy that is provided by the New South Wales Government in relation to water supply in Broken Hill?

Ms BROWNE: I would have to take that on notice.

The Hon. PAUL GREEN: Do you know the percentage rates of commercial use and urban use of water in Broken Hill?

Ms BROWNE: I do not have up-to-date figures. In past years I was more closely involved with the water operations, but it is not something that I have checked for this.

The Hon. PAUL GREEN: You could take it on notice. My second question is: are you aware of the cost per kilolitre of commercial and urban water? What are the households paying?

Ms BROWNE: Household water—again from memory, as it is not something I checked before this—is \$2.25 a kilolitre.

The Hon. PAUL GREEN: That is pretty reasonable.

Ms BROWNE: As I understand it, it is probably about average for country New South Wales but I think to interpret that you have to look at the access and the importance of reticulated water as opposed to—

The Hon. PAUL GREEN: Can you provide the figures for the cost of access as well—the average for access and usage, as you have just mentioned? My third question is: if the lake was Ramsar listed, what impacts would that have on the lake? Would there be any impact on the way the water is dispersed to different user groups?

Ms BROWNE: As I understand it, how Ramsar works is that there is no disadvantage in being a partially modified area. It does not have to be a natural area. I think there are Ramsar sites which are water treatment sites. I do not think that is the issue. As far as I am aware, without having a detailed knowledge of this, Ramsar sites can be recognised without affecting in any significant way the use of the water. I think it is quite possible for a Ramsar site to coexist with the working of a normal water supply.

The Hon. PAUL GREEN: Given that Broken Hill had such a reduction in water to the low percentages because of the drought and management, would there ever be a situation in a Ramsar listing where the wetlands, flora, fauna or birdlife would be put over the priority of the need for water for the city?

Ms BROWNE: No, I do not believe that. I also believe—and this is something I learnt only recently—Ramsar sites or sites that attract migratory birds actually attract more birds if they have periodic drying-out periods. It is not necessary for the Ramsar site to work successfully for it to be full of water all the time. It can cope with a natural cycle and I suppose that is how the lakes have always existed: with natural cycles of drying out, drought and plentiful water.

The Hon. JEREMY BUCKINGHAM: The State Government has put on the table the Wentworth pipeline. Clearly what precipitated that was the water crisis, as I would characterise it, that has evolved over the last two to three years here. Did the Government or its agencies at any stage sit down with council and go through the various options—for example, put a pipeline here, put a pipeline there, upgrade a pipeline from Menindee, talk about upstream water users—and all the different permutations of response to the issue? Did the Government or its agencies get involved in a thorough consultation process before the pipeline as it is was announced?

Ms BROWNE: That is really what I would understand by presenting a business case—the reasons one option was chosen over another. While I cannot recall a presentation along those lines, there has certainly been representation here by Gavin Hanlon and people of his senior rank in the department about water issues. As you are aware, it has been a very significant issue for Broken Hill over the last couple of years, but council and the community were really looking for that kind of discussion of those options and the implications of each of those options. To date I do not believe we have been given that. That is what I understand by the business case for the pipeline as opposed to upgrading the Menindee pipeline or maybe looking at other options. I do not know what they would be.

Mr JEREMY BUCKINGHAM: Has the council made representations to the Ministry, to the department in that regard, physically requesting a business case or their modelling of these types of things?

Ms BROWNE: Yes. I am just trying to think specifically of the occasion for that, but certainly when there has been an opportunity that request has been made.

Mr JEREMY BUCKINGHAM: And ultimately has been unsuccessful?

Ms BROWNE: Well, we have not had it yet.

Mr JEREMY BUCKINGHAM: Thank you.

The Hon. PENNY SHARPE: Can I confirm that the Government did give a commitment to the council to provide you with a business case?

Ms BROWNE: Yes. Certainly as I recall that, yes.

The Hon. PENNY SHARPE: But it is obviously not there.

Ms BROWNE: No.

The Hon. PENNY SHARPE: I want to make sure that the commitment has been made. What has been the response from Water NSW or DPI, or whoever it is that you need to deal with as council in relation to discussions with the irretrievable water so that when you are talking about drought-proofing Broken Hill, there is obviously clear evidence that there is water that goes into those lakes that you cannot retrieve, but that it is included in relation to the trigger point. Has there been an openness to talk about that? I understand it needs to be discussed with the Murray-Darling Basin Authority and it needs to be agreed, but what has been the response to that?

Ms BROWNE: Again, it depends on the focus of the plans to make some of those engineering changes to the lakes. It certainly has been flagged by the council as a fairly significant issue, particularly when the water in the lakes was so low.

The Hon. PENNY SHARPE: Yes, I am going to ask you about that in a minute.

Ms BROWNE: Yes.

The Hon. PENNY SHARPE: Has the response from the New South Wales Government relating to the trigger points been that there is a willingness to talk about that, or is it put in the too-hard basket because we have had to negotiate it through the—

Ms BROWNE: I am not aware. I was not necessarily present when those discussions were made. I believe that the previous mayor was involved in discussions along those lines with various water people.

The Hon. PENNY SHARPE: I might ask them that this afternoon. A lot of the difficult issues around the water have come back to the drawdown in 2013. What is the perspective of council relating to the consultation or the decision-making that went into that?

Ms BROWNE: That was probably the most concern at that time. I think it was the fact that it happened without consultation. It happened at an inappropriate time, I suppose.

The Hon. PENNY SHARPE: When you say inappropriate time, what do you mean? Is that because the rivers were already in flood?

Ms BROWNE: Well, it was around Christmas when everyone was up there enjoying themselves and the water disappeared. That has been one of the main concerns about that issue, that there was no consultation, and it did not appear that there was concern for the effect on that area where that water was. I know there have been arguments since—justifications since for doing this, you know, the fact of evaporation, and so on, and the argument has been made that the water would have been lost anyway within six months or so, but I think it was the fact of the way it was done. It showed a lack of consultation.

The Hon. MICK VEITCH: Councillor Browne, you were on an early flight to get back from Sydney. Thank you for being here. Broken Hill is attached to the Menindee Lakes system by more than just the pipeline. There is the recreational and social impacts on the residents of Broken Hill, Menindee and the people from the Lower Darling. What are those attachments?

Ms BROWNE: Well, it is the only water within 300—apart from Mildura, it is the only body of water and it is an important recreational resource for people. It is a holiday place. It is a recreational area where people can undertake all those water-based activities, fishing and so on. It is important for all those recreational reasons.

The Hon. MICK VEITCH: So it is important to maintain the Menindee Lakes system for more than just water for people?

Ms BROWNE: Yes, and that was the point I was hoping to make. It is not just a question of a water supply, it is a question of the lakes. It is something that is very important to the quality of life of Broken Hill people.

The Hon. DANIEL MOOKHEY: Arising from that question, in the council's view would the Menindee to Broken Hill pipeline be an issue if the Wentworth pipeline is constructed?

Ms BROWNE: Council does not really have an opinion on this. I do know that there are users along the pipeline who will still need to be supplied, I understand, from the pipeline but just going in the reverse direction from Stephen's Creek. I understand that that is the proposal. In all of this, we are aware that there are other users not within the city of Broken Hill who also have their right to a secure water supply.

The Hon. RICK COLLESS: Councillor Browne, going back to the environmental flow issues, we heard this morning from the traditional owners of the land that they need to make sure there are cultural flows of water. I am talking in particular about the section between Menindee and Wentworth. How can we design a system that meets those environmental and cultural flows as well as maintaining irrigation entitlements and stock and domestic entitlements? What sort of process should we go through to ensure that we can get agreement on all those issues?

Ms BROWNE: That is a difficult question, I suppose.

The Hon. RICK COLLESS: That is the question we are facing.

Ms BROWNE: That is the question we are facing. I suppose based on the experience during this most recent drought, I think a recognition that those small flows still serve a useful purpose. Keeping the river flowing was of most concern. Recently the river dried out completely, so even those small flows serve a purpose. A small flow building on a small flow, I suppose, keeps the river alive, so that would be the only suggestion I would make with respect to that.

The Hon. RICK COLLESS: Thank you.

The Hon. PENNY SHARPE: Are you aware that the proposed pipeline will mean that there will be no water from the lakes provided to Broken Hill in the future?

Ms BROWNE: Yes.

The Hon. PENNY SHARPE: Does council have a view about the existing pipeline and the fact that it will no longer be maintained, even as a backup source?

Ms BROWNE: Council does not have a view, but, again, I restate the fact that there will still be users along that pipeline, even though the water will be going back from Stephen's Creek for those users there, so the pipeline will still need to be useable, still need to be maintained, as I understand.

The Hon. PENNY SHARPE: Thank you.

The Hon. MICK VEITCH: I want to ask a question about what I now refer to as the famous drawdown of water from the Menindee Lakes a couple of years ago. What is council's view as to that occurrence?

Ms BROWNE: At the time certainly council protested very vigorously and there were a number of high-level meetings. I personally was present at one meeting with the Minister at the time, our current local member, and representatives from WaterNSW and the MDBA about that event. So it is certainly something that council has flagged its concern about from that time.

The Hon. MICK VEITCH: Is it council's view that that particular environmental drawdown caused the problems that you have subsequently endured?

Ms BROWNE: It would be council's view that that represented the unfortunate aspects of the way the basin plan worked as far as the Menindee Lakes are concerned. The lakes are really used as a convenience, a place to store other people's water I suppose. It was drawdown without real concern for the effects of the consequences on our community.

The CHAIR: We will finish there. I add to Mr Veitch's thanks to you for coming back to Broken Hill so early this morning to be here on time. Firstly, Broken Hill and the Menindee is the first case study. That gives an advantage to the other groups, which we will be talking to in the northern basin and the southern Riverina, to see what has been put up in these hearings and to also have a look at the submissions. Secondly, the closing date for submissions has been extended to January. In addition to answering any questions taken on notice, and I am sure there will be a few of those, would you please take back to your council the proposition that "she ain't over yet". The Committee would like to hear council's evolving ideas on the pipeline, on how things should work, on what sort of positions it will be putting to IPART, and on any other issues following the first submissions from the Barakandji people this morning or anything else that you see, so that we get the council's very latest feelings before we go into the mode of trying to come to a conclusion. Today is not the end; today is probably just part of the beginning. I also ask that any questions taken on notice be responded to within 21 days of receipt.

(The witness withdrew)

DAVID GRAHAM HARRIS, Chief Executive Officer, WaterNSW, sworn and examined

ADRIAN ROBIN LANGDON, Executive Manager, Asset Operations and Maintenance, WaterNSW, sworn and examined

DANIEL FRANCIS BERRY, Manager, Water System Operations, WaterNSW, sworn and examined

The CHAIR: Before we commence with questions, would any of you like to make an opening statement?

Mr HARRIS: I will. On behalf of WaterNSW we are very pleased to be here today. We are thankful for the opportunity to present to the Committee and to hear directly from the people of Broken Hill and surrounds, many of whom are our valued customers. The three of us have been in attendance since the beginning of this morning's hearing. I will start by outlining the roles and responsibilities of WaterNSW in this State and then, more specifically, in Broken Hill and Menindee. WaterNSW is a state-owned corporation. It was formed on 1 January 2015 by the merger of the former Sydney Catchment Authority and the former State Water Corporation. We own and operate 42 dams across New South Wales, in addition to hundreds of weirs, regulators and pipelines. We capture, store and release water across New South Wales, delivering orders to farmers, irrigators, regional towns, local water utilities, industry and environmental water holders. We pride ourselves on developing water infrastructure solutions to solve water security and reliability issues.

Following the transfer of functions from DPI Water to WaterNSW on 1 July this year, WaterNSW became the single operator of the State's interconnected surface and groundwater systems. We also became the one-stop shop, as it were, for all rural water customers and the single government entity that undertakes all in-field functions relating to water, in particular hydrography, water regulation and water quality monitoring. As the water system operator, our single most important goal is to improve the security and reliability of supply for all of our customers. One way we achieve this is by optimising the way we operate the system within the current rules. Secondly, we seek to achieve this is to propose and strenuously argue for rule changes where we and our customers identify a more efficient way of operating the system that is not allowed under the current rules. Thirdly, we also seek to achieve our customers' desired outcomes in innovative ways.

Turning to our role in Broken Hill and the Menindee system. WaterNSW became the operator of the Menindee Lakes in November 2014. Before that time the lakes were managed by NSW Office of Water, now known as DPI Water. During the most recent drought, WaterNSW took the lead on the undertaking of emergency works to extend the supply of water to Broken Hill, including stockpiling water—pumping water from Lake Pamamaroo into Copi Hollow and from Lake Tandure into Lake Wetherell to minimise water losses through evaporation and to maintain water quality; constructing earth embanks to pool water in the Lower Darling; preparing tenders to recommission Essential Water's reverse osmosis treatment plant at Broken Hill; dredging and pumping; and sinking a number of bores to identify and test suitable groundwater locations.

More recently, those emergency works have been complemented by our actions to deliver benefit or remove problems for our customers. We took those actions in consultation with those customers and with local stakeholders, including organising the lowering of the Wentworth Weir pool to hasten the flushing of poor quality water to be diluted in the Murray River; implementing a water quality program for the Wentworth Weir pool to address the immediate needs for tracking and reporting the progress of improved water quality; and re-evaluating the Menindee Lakes inflow hydrology to better understand the security of surface supplies for Broken Hill and the Lower Darling. Over the past year we have also prioritised our engagement with customers, consulting in-person with Lower Darling customers, listening to their needs and acting on them. Being responsive to our customers is what drives us, and that is why we are here today. We thank our customers for their cooperating and input during these recent challenging events.

I also want to touch on the rules under which we operate the system. The New South Wales Government sets the rules that govern the operation of Menindee Lakes. These rules are contained in the Murray-Lower Darling water sharing plans and the works approvals we hold applicable to Menindee Lakes. The rules provide that when the lakes are below 480 gegalitres, supply is not provided to Victoria and South Australia. At 480 gegalitres drought contingency measures are implemented and releases from our storages are not made if supply to Broken Hill or high-security users downstream would be compromised. Once water supply, on the upside, reaches 640 gegalitres, releases are once again made to meet orders and, where possible, Murray-Darling Basin Authority [MDBA] requirements. Just last week storages in the Menindee Lakes exceeded that 640 gegalitres trigger and the MDBA can now request releases from the Menindee Lakes to satisfy New South Wales and Victoria's joint obligations to South Australia under the Murray-Darling Basin Agreement.

WaterNSW will consider all requests for orders from the MDBA or environmental water customers alike, but will reject or re-negotiate orders that potentially compromise critical water needs, which here relate to ensuring two year's water supply to Broken Hill and high-security entitlement holders in the Lower Darling. In short, as an active system operator we will calculate the impacts of orders, rather than just blindly accepting them. Before closing I will address a matter that was raised in particular in the testimony of Lower Darling users—that is, cooperation and coordination between government authorities. I can give you a number of examples where that has occurred, for example, real time coordination and management between DPI Water and ourselves in relation to translucent flows recently in the Murrumbidgee River.

The better example to give here though is the coordination between ourselves and, in the first instance, our customers, to deal with water quality issues recently in the Wentworth Weir pool, which we then followed up with coordination with the Murray-Darling Basin Authority and then jointly, those two water authorities sought and got interstate government agreement to the actions that we were proposing. So, in that case, that coordination happened and it worked. I hope this summary has provided some clarity on the role of WaterNSW in Broken Hill and I welcome any questions the Committee may have.

The CHAIR: Thank you, Mr Harris. Please provide the opening statement to Hansard for their records.

Mr HARRIS: Sure.

The Hon. MICK VEITCH: Thank you for your opening statement, Mr Harris. I want to pick up your comments around the consultation that has taken place with the Lower Darling Group which you raised at the end. You would have heard their testimony this morning and that group is clear that there has been limited to no consultation with them around a number of matters. You are saying that is not the case?

Mr HARRIS: I am saying, in respect of the activities that we undertake and in particular since taking over management of the lakes and dealing with the restarting of the river, as we have done in the last couple of months, we have done that absolutely in consultation— frequent consultation— with our customers and interests downstream. I will ask Mr Langdon to give you some detail around what activity we have done in that regard.

Mr LANGDON: I would need to check the exact dates but we have had public meetings in Pooncarie with the local customers around the restarting of the lakes. So that was towards the end of July. We have also had weekly telephone conference calls with Lower Darling users since that date and until the water quality was severe, we have actually provided them with regular updates on water quality through three months during that period.

The Hon. MICK VEITCH: Can you take it on notice to provide us with the dates of those consultations, who was involved and how it was conducted, please?

Mr LANGDON: Yes, we can do that.

The Hon. MICK VEITCH: In other quality inquiries we have tried to work out the meaning of "consultation" and lots of communities say they are being told what is happening but are not actually being asked for their involvement. If you could take that on notice and get back to us, that would be very good.

Mr LANGDON: I am more than happy to do that.

The Hon. MICK VEITCH: This leads to the next issue. You would have heard me this morning ask about the environmental drawdown a couple of years ago which has exercised the minds, not just of the people of Broken Hill but also of the Lower Darling. You have an opportunity now to explain to this Committee, and to the gallery, what is the process that has to be followed before that environmental drawdown can take place—the legislative requirements that must be followed? That is the first thing. Secondly, what consultation then takes place with Broken Hill City Council, the people of Menindee, the people of the Lower Darling, and the people along the Darling River itself? It is a two-part question: What is the process you have to follow legislatively? And what is the process for consulting with everyone else?

Mr HARRIS: I will tackle the first part of the question. So, circumstances have changed and I mentioned that WaterNSW only took over management of the lakes in 2014, which followed the 2013-14 release. So I cannot speak to that particular release.

The Hon. PENNY SHARPE: I am sorry, you may have only just taken it over in 2014 but given that this has been a central element of the concerns of people in Broken Hill, surely you have a view about the drawdown in 2013 and you have looked at what sort of consultation and approvals happened. Are you saying that you cannot provide that to the Committee?

Mr HARRIS: What I am saying is that, at that time, those lakes were under the management of New South Wales Office of Water. You will have the opportunity to ask Gavin Hanlon that question when he fronts the Committee but I cannot answer that for you. Sorry, we were not the operators at that time.

In terms though of what we are doing right at the moment, as we indicated to the Committee on site yesterday, there are imminent environmental water orders being placed on those lakes. We, through Mr Berry's system operation team, are looking at the impact of what those orders would be. In particular of course—and a number of previous speakers have referred to the accessibility of water in the lower lakes—we are looking at whether we can manage those releases. So, in the first instance, we will be aiming to make those releases out of the river itself, not out of the lakes. Depending on the volume of those water orders, we may have to take some water out of the lakes but we are doing that assessment against our models and in consultation with our customers. I do not know whether that process was followed before or not, you would have to ask others about that.

In terms of the consultation that we do have with our customers and stakeholders in making those decisions, I might ask Mr Berry to speak to that directly, as he is the man who does that.

Mr BERRY: In terms of the assessment of the plans for orders for the environmental flows at the moment, we need to consider the implications of those orders for the security of supply to high-security users in Broken Hill. We are doing that assessment at the moment. The other issue that we need to consider is whether the release of water from the lakes at the moment would add to flooding in the Murray. So if there are flooding issues in the Darling, the order at the moment is to control those levels but whether it will add to the flooding in the Murray, they are both issues that we are considering, in terms of the assessment of these orders at the moment.

The Hon. MICK VEITCH: What say do the people of the Lower Darling get in that process? We have heard some testimony this morning which sounds to me like we are killing off the Lower Darling for the sake of other parts of the system. That is how it is presenting itself in testimony. How do the people of the Lower Darling in particular and the people in Menindee and even Broken Hill get a say in what is happening to the Darling?

Mr HARRIS: We can point to our very recent experience in solving, frankly, the unforeseen water quality incident in Wentworth Weir. There were potentially a number of solutions to that problem. We firstly sought input from stakeholders and customers before we decided on what we believed would be the best way to solve that problem. We then, having taken that consultation into account and forming a view, went and promoted that solution to the Murray-Darling Basin Authority [MDBA] because, frankly, it was outside of the rules of the water-sharing plan. With that the support of the MDBA we then, collectively—the two organisations—then secured the support of Basin States. That is the best example to which I can point, Mr Veitch, of how we intend to operate going forward.

The Hon. MICK VEITCH: Do you conduct any evaluations of your consultation and methods to see if they are successful? Do you look at a quality assurance or an improvement process?

Mr HARRIS: Not specifically in relation to Broken Hill, we commissioned several months ago—and it has just been completed—a professionally and independently completed customer survey. We are considering the results of that at the moment in terms of developing a strategy on how we can better service our customers and provide them with better value.

The Hon. DANIEL MOOKHEY: Thank you for your appearance before the Committee today and your tour yesterday as well. Did WaterNSW prepare the business case for the proposed pipeline?

Mr HARRIS: No.

The Hon. DANIEL MOOKHEY: Was that the Department of Primary Industries [DPI]?

Mr HARRIS: DPI Water prepared a business case.

The Hon. DANIEL MOOKHEY: You had input to the construction of that business case?

Mr HARRIS: Our input? We were asked at the start of the process to suggest solutions that may be considered in that process, which we did.

The Hon. DANIEL MOOKHEY: What is the annual operating cost of the existing Menindee to Broken Hill pipeline? Have you prepared any projections on the annual operating costs for the proposed pipeline?

Mr HARRIS: In terms of the annual operating costs of the system—sorry, I will say it this way: WaterNSW's costs of operating the system, I would have to take notice. In terms of the pipeline, I cannot answer that question. I do not have any of that information.

The Hon. DANIEL MOOKHEY: If you are going to take the question on notice, for the purposes of IPART assessment, as in what WaterNSW will submit to IPART for the purpose of the tribunal being able to do its pricing determination of the existing system, could you include that in your projections?

Mr HARRIS: Just to be clear on that, I am aware that at the moment the New South Wales Government is considering who will be the proponent of that pipeline; in other words, who would be the builder. WaterNSW is a capital delivery arm of government, which DPI Water is not, so obviously WaterNSW is in the mix for being that proponent. That decision, as far as I am aware, has not been made. If that decision is made and if WaterNSW is handed the pipeline to construct, only at that point would we be in any position to be able to form any view on the matters that you have raised.

The Hon. DANIEL MOOKHEY: Actually I am asking you about the existing system that you currently operate for the purposes of taking the question on notice.

Mr HARRIS: I am sorry, I misunderstood. The pipeline means the existing pipeline?

The Hon. DANIEL MOOKHEY: Yes.

Mr HARRIS: It is an asset of Essential Water. Mr John Coffey is appearing after us. You should direct that question to him.

The Hon. DANIEL MOOKHEY: The estimate of \$500 million for the cost of construction, I do not want to be excessively technical but is that prepared on a P50 or a P90 basis? That is, it is within \$500 million with the probability of coming in at 50 per cent of cost, or is it closer to the Infrastructure Australia standard, which is that it is within 90 per cent probability that that is going to be the cost?

Mr HARRIS: That is a question you will have to ask Mr Hanlon when he appears at the Committee later. WaterNSW had no involvement in the assessment of options, nor in the preparation of that business case.

The Hon. PENNY SHARPE: I am interested in the drawing up of the water-sharing plans. I am concerned about the lack of recognition of native title in relation to that. Is the reason why they are not included in the work that you do because it is not legislatively required?

Mr HARRIS: There are two parts to the answer: Firstly, Decal Water is responsible for preparing water-sharing plans or, as they are to become, water resource plans. I heard the testimony this morning of the Aboriginal elders. My understanding is that all water-sharing plans in the State have provision for Aboriginal cultural entitlement, but I have no further knowledge of that.

The Hon. PENNY SHARPE: Why is it that only Northern Rivers has accepted that and it is reflected in the water-sharing plans?

Mr HARRIS: Again, I cannot answer why it is that those provisions have not been enlivened in this particular case. Again, I think that would be a question more appropriately directed to DPI Water.

The Hon. PENNY SHARPE: Looking into the future, given that this pipeline is now progressing—and I accept the limitations of your involvements, although I would still argue it is still significant—do you accept the need for, particularly, given the Barkandji people's recent and final recognition of native title, them to be more closely involved in the discussion and preparation of the pipeline?

Mr HARRIS: Again, water-sharing plans are a matter for the rule maker, DPI Water, as I set out in my opening statement. We work within those rules. We seek to improve those rules where we can identify benefit. So in the first instance, why there is no such entitlement in this valley is something that DPI Water it would have to answer. Again, in relation to the pipeline, WaterNSW has not had significant involvement to date, and I think quite appropriately because a number of the matters to be decided by the Government in relation to that pipeline relate to community and other concerns, and we are not the appropriate body to be making those sorts of decisions. That is a Government decision.

Mr JEREMY BUCKINGHAM: One of the previous witnesses, Mr Kevin Knight, said that there is a proposal on the table at the moment—I was unaware of it—and there is a suggestion that there were discussion, and I do not know where it is up to, about the possibility of raising the weir at Bourke. Is that the case? What is WaterNSW's view on that? You have not heard anything of that?

Mr HARRIS: I am just advised that Bourke Weir is owned by the local shire council. It is not our structure. We are not aware of a proposal to raise that weir.

Mr JEREMY BUCKINGHAM: You do not manage that?

Mr HARRIS: No.

Mr JEREMY BUCKINGHAM: Mr Harris, in your previous testimony you said that you had no involvement in the preparation of the business case for the proposed pipeline, but prior to that you said that you had suggested a range of solutions to DPI Water. Does that not seem to be contradictory—that you had no involvement in the preparation, yet you were preparing and submitting a range of solutions for that business case?

Mr HARRIS: No, not at all. At the beginning of that process, DPI Water appropriately asked a number of stakeholders, ourselves included, whether we had any other ideas to throw into the mix, bearing in mind of course that the surface works are ideas that have been around for quite a long time. The pipeline, both the New South Wales pipeline and the South Australian pipeline if I can label them in those terms, were well and truly on the public record at the time as well. DPI Water asked us did we have any other ideas that should be thrown into the mix for them to assess in terms of options. We did do that. They then made their assessment and conducted their business case.

Mr JEREMY BUCKINGHAM: Yes, I understand that, Mr Harris. That seems to me to suggest that you are involved in the preparation of the business case.

Mr HARRIS: No, absolutely not. We were invited to submit, at the beginning of the process, other suggestions apart from those that were already on the public record. We did do that. That was the end of our involvement.

Mr JEREMY BUCKINGHAM: What were some of those? Could you elaborate on some of those?

Mr HARRIS: The two suggestions that we made—and again I repeat, bearing in mind that a number of suggestions were already in the public arena—groundwater, Tully Walker, and so on, groundwater. The two suggestions that we made first of all were to enlarge storages in upstream tributaries, which included for example Mole River, Mingoola, which has been subsequently endorsed by the Commonwealth Government for prefeasibility study. The second suggestion that we made was to access Great Artesian Basin water through bores and a pipeline. My understanding of that is, given the length of that pipeline, that proved to be economically incredibly inefficient.

Mr JEREMY BUCKINGHAM: Would you be prepared to table to the Committee the submission you made on those upstream storages?

Mr HARRIS: I am certainly happy to table that and some further information. For example, we made a public submission to the recent Commonwealth Government process to obtain funding for the pre-feasibility study of Mole River. I am more than happy to provide that as well.

Mr JEREMY BUCKINGHAM: Can you expand on the Mole River proposal?

Mr HARRIS: The concept is for a dam further up the system, where the profile of the valley is more of a V shape before it comes out into a floodplain. The idea would be to store water further up in that system and to release it in a more regulated way so that we do not lose resource over bank between those border rivers and Menindee Lakes. In that way, we improve the availability and security of the resource both for the northern basin and for the lakes.

Mr JEREMY BUCKINGHAM: Where is the Mole River?

Mr HARRIS: It is one of the rivers on the border of Queensland and New South Wales.

The Hon. PAUL GREEN: The Committee has heard about options for a new pipeline. What would it cost to upgrade the current old pipeline between Menindee and Broken Hill? Has some assessment been done?

Mr HARRIS: That is not our asset. That is a question to direct to Mr John Coffey, who I think is the next witness. Essential Water owns that pipeline.

The Hon. PAUL GREEN: An earlier witness spoke about storing cultural water in Menindee Lakes. Are you aware that Aboriginal people want to be able to store cultural water?

Mr HARRIS: No, I am not. In the first instance they would deal with the Department of Primary Industries Water to create that entitlement under the existing water sharing plan.

The Hon. MATTHEW MASON-COX: I add my thanks for the tour yesterday. It was good to see the water pumping through the system again. I refer in particular to your comments, Mr Harris, in relation to operating the system under the current rules, and some of the changes that you think might benefit the system.

Perhaps you have some recommendations. Can you expand on what you might see as good changes to the current system?

Mr HARRIS: As I indicated, we took over management of the lakes only in November 2014. The next 18 months were 100 per cent focused on emergency water supplies and getting them up and running. We have done some development of hydrological models around the lakes and the lower Darling system, and we will continue to develop them. At this stage, I am not in a position to be able to table any particular idea outside of the circumstances that we as operators are dealing with now.

The Hon. MATTHEW MASON-COX: So there are things in the pipeline on that front?

Mr HARRIS: You could say that.

The Hon. MATTHEW MASON-COX: If you are able to advance that thinking, that would be very useful information for the Committee.

Mr HARRIS: Sure.

The Hon. MATTHEW MASON-COX: I refer to the pipeline for which you have had no responsibility in terms of the business case. We will assume for a moment that the pipeline has been built. What is your expectation, or have you done any work in relation to what the situation might be in terms of the impact on the Menindee Lakes system and the lower Darling once you remove the need to hold that water to secure Broken Hill's supply? In answering that, are there implications for the current set of rules, particularly the 480 gigalitre limits?

Mr HARRIS: I think it was Alan Whyte who earlier today described the lakes as the "goose that laid the golden egg". We would refer to them as the magic pudding. Many things are being asked of the lakes at the moment: a secure town water supply for Broken Hill; environmental flows for the lower Darling River and the Murray River; and meeting New South Wales's obligations as a State under the Murray-Darling basin agreement to provide flows to South Australia. To the extent that the pipeline disconnects one of those demands from the lakes, I think it is a good idea. It then opens up opportunities in terms of how those lakes may be operated differently to deliver the other things being asked of them.

I note that either in her submission or in her statement this morning Rachel Strachan mentioned the need for constant flows down the lower Darling River. That might be more feasible if the Broken Hill water supply were disconnected from the lakes, thus enabling more environmental flows and obviously therefore keeping the lower Darling running more often than it would under the current rules. Again, that would be done in consultation with Department of Primary Industries Water. As a concept, disconnecting one of those needs from the lakes obviously then opens up other opportunities to run them slightly differently to meet the other and, frankly, lesser set of things being asked of them.

The Hon. MATTHEW MASON-COX: Perhaps you can take this question on notice and answer it after you have had time to reflect. Could some flexibility be introduced into the system? What would be the impact on the rules that currently govern this change of water from Menindee Lakes, and should we be revisiting the rules as a result of a pipeline?

Mr HARRIS: Gavin Hanlon spoke about that yesterday. As I understand it, it is public that if the pipeline is built and the sustainable diversion limit project works, that would enable a change of triggers and so on. Other parties have spoken to that issue today, and we would certainly support it.

Mr SCOT MacDONALD: I have a general question about water trading. Is it achieving the national water initiatives? Are there any barriers given the way it is structured, the way it is trading, and its transparency?

Mr HARRIS: That is a big question. In terms of the national water initiative, again, I think the department would be in a better position to answer. I can comment from WaterNSW's perspective. We would support the comments made in a number of submissions around market information and trading information. We took steps this year, for example, to put real-time information about the Murrumbidgee inter-valley transfer account on our website. That was very strongly welcomed by water users of the Murray and Murrumbidgee rivers because they had more visibility of that market information. We want to make more information available to people making commercial decisions in the water market so that they can make better-informed decisions. We would certainly act to deliver more market information as our systems allow it.

Mr SCOT MacDONALD: I refer to water access licences going out of consumptive and into environmental. The figures lately have not been high. Are you concerned about stranded assets and impacts on this area? Does someone have a helicopter to view of that? Is someone looking at incremental losses of water access licences to the environment?

Mr HARRIS: From WaterNSW's perspective, stranded assets are not a foreseeable issue for us in terms of water moving from broadly extractive use to environmental use. That water, whether it is for either of those purposes, is stored in one of our dams, released in accordance with water sharing plans and traded in accordance with trading rules and so on. Again it has been publicly documented and you will hear about it in the southern basin. There are other entities, such as Murray Irrigation, which have been adversely affected by transfer of water between extractive use and environmental use. Why? Because environmental water is now not being put through its asset, through its channel, and it is not earning revenue from that water. Given the nature of our assets and the fact that we are operating with a system as opposed to distribution assets, that does not impact us in that way—but I am not quite sure I have answered your question fully.

The Hon. MATTHEW MASON-COX: I am just asking the death-by-a-thousand-cuts question, if you like. Leaving an area and going environmental is one fewer person in the system, whether it be a channel system or a more open system. Does anybody look at that and say, "There's a trade coming up. This is yet another loss to this area or somewhere else. What's that going to mean for long-term sustainability of it?"

Mr HARRIS: That is absolutely being done by our customers and by Government at the moment. That is, for example, the nature of the northern basin review that is being conducted by the Murray-Darling Basin Authority at the moment. That is all about what sort of water impacts you have on communities, businesses and so on if you take water out of extractive use. That is a key—

The Hon. MATTHEW MASON-COX: At the moment we cannot stop that, can we? We cannot say to a person who owns that property, "Right, sorry, you can't do that, because if you do it's the straw that will break the camel's back." There is no mechanism at the moment to do that, and I am not even sure that there should be.

Mr HARRIS: The way I would describe it is that the Government collectively some years ago came to policy decisions about the Murray-Darling Basin Plan and in particular the share of sustainable diversion limits and the share between extractive and environmental uses. From WaterNSW's perspective, the issue is: how can we and our customers, either within the rules or through other mechanisms such as complementary measures, seek to achieve the environmental objectives without loss to extractive use—in other words, meet both environmental and extractive uses without the reallocation of water from extractive to environmental use? That is what we are focused on.

The Hon. RICK COLLESS: Thank you for your hospitality yesterday in showing us around. It was very much appreciated. Mr Harris, I return to the issue of the proposed Mole River dam that you raised a few minutes ago. What will that water be used for?

Mr HARRIS: Some of the resource is lost from the upper reaches of those border rivers which, generally speaking, have a V-shaped profile in the valleys. Once the water breaks out onto the floodplain, larger flows break out of the river channel and onto properties. It is essentially lost to the system and does not reach Menindee Lakes. The idea behind the Mole River dam would be to regulate those flows such that we minimise that amount of lost resource in between the border rivers and Menindee Lakes.

The Hon. RICK COLLESS: That would have the effect of maintaining a more permanent flow regime within the riverbed.

Mr HARRIS: It may have that effect. It would have the effect of minimising resource losses between those two—the northern border river system and the Menindee Lakes system.

The Hon. RICK COLLESS: You may have heard the discussion earlier on about suggestions that some of the upper lakes should be regulated as well. Have you got any information on the potential storage capacities of the three smaller upper lakes, Tandure, Bijijie and Balaka?

Mr HARRIS: Sorry, we do not have detail on that with us. We are certainly happy to take the question on notice.

The Hon. RICK COLLESS: What process are you required to go through to change the trigger points if things in the lakes change?

Mr HARRIS: That question is already in the mix: Some of our customers, represented here this morning, have that issue already on the table. To go back a step: the 480, as Rachel Strahan indicated this morning, is a volume of water that is designed to ensure that Broken Hill town water supply plus Lower Darling high security supplies can be maintained over a two-year record drought period. If the Broken Hill town water supply is disconnected from the lakes, it would seem by definition that 480 may not need to be held in the lakes for that purpose and would be available for other purposes.

We would certainly, as any decent system operator would do, want to model and understand what that 480 could be dropped down to, and Gavin Hanlon himself spoke about that issue yesterday. Sitting here today, I do not have a view about what that number would be, but with the construction of the pipeline we could certainly look at that. Again, there are going to be different views among the people sitting here today as to how that water should be used. I guess the basic proposition is that we lose a lot of that 480 in those circumstances through evaporation, so surely that water can be used for other purposes and not evaporate.

The Hon. RICK COLLESS: I understand that but I am wondering about the process itself. Obviously it would have to be done through the Murray-Darling Basin Authority in consultation with the other states and so on. Is there any process that has already been outlined to allow those discussions to happen, or is it something that has to start at square one?

Mr HARRIS: To be clearer, those rules are set out in the water sharing plans administered by DPI Water. In the ordinary course—and it occurs regularly—we and our customers would be part of the consultation with DPI Water to look at that 480 and what it could drop down to. DPI Water would settle a position on that on behalf of the Government. It would then have to take that to the Murray-Darling Basin Authority to deal with whatever MDB agreement issues there are.

The CHAIR: Mr Harris, you mentioned earlier that WaterNSW is the capital part of the game—

Mr HARRIS: A capital delivery.

The CHAIR: —and you have mentioned that you have given consideration to some of those potential border river catchments. Other than Mole River, how many others have you looked at?

Mr HARRIS: For the purposes of the lakes, that is our priority proposal, which we have put up more recently in the Commonwealth Government process to get some funding for prefeasibility works, which has been allocated. We are developing our New South Wales wide asset strategy across all of the valleys—

The CHAIR: That is what I am getting to.

Mr HARRIS: You will be aware that, for example, we promoted the prefeasibility study of another dam on the Belubula River. We are going through prefeasibility of that structure at the moment and looking at every catchment across the State in terms of what infrastructure solutions—bearing in mind we only deal with infrastructure solutions, not policy solutions—we can pose within each of those catchments to improve water security and water reliability. We will be making that work public. We will be rolling those ideas out for consultation in about the first quarter of next year.

The CHAIR: Excellent, so before our Committee finalises its work. That would be great.

Mr HARRIS: Yes, absolutely.

The CHAIR: Are the resources that WaterNSW requires to do hydrological, geological and economic studies to come forward with these proposals generated in-house or does it use external bodies to assist it?

Mr HARRIS: No. This was one of the drivers for the Government merging the Sydney Catchment Authority and the State Water Corporation. The Sydney Catchment Authority has deep expertise and probably the best expertise in Australia around hydrological modelling. We are now applying that expertise across rural valleys. I mentioned before that we have developed stage one of a new hydrological model for Menindee Lakes, and we are doing that in other priority lakes as well, so we have that expertise in-house. Economic modelling and so on, no, we do not have that expertise. We get that on an as needs basis.

The CHAIR: Does WaterNSW then test its hypotheses with—I will use the term "independent experts"—people like SMEC and other organisations?

Mr HARRIS: Certainly as its standard within the water industry the hydrological models are peer reviewed, and that is a fairly standard process that all water authorities follow—DPI Water and so on—and we do exactly the same.

The CHAIR: Excellent. We are out of time. Thank you, Mr Harris, Mr Langdon, Mr Berry. On behalf of the Committee, I add my thanks for giving us the benefit of your people yesterday to talk about the issues specifically. You have taken a number of questions on notice. We would like you to respond within 21 days once you receive those questions from the Committee. Thank you for giving us your time.

Mr HARRIS: Thank you.

(The witnesses withdrew)

JOHN COFFEY, Acting Manager Water Operations, Essential Water, sworn and examined

The CHAIR: Mr Coffey, thank you for agreeing to appear. Before we commence with questions from the panel, would you like to make an opening statement?

Mr COFFEY: Certainly. I have been a member of the community of Broken Hill all my life. I have been with Essential Water for over 40 years. I am fourth generation Broken Hill. Through my appointment at the water utility I have been the Manager of Water Supply and Quality since about 2010, and, as you aware, water is a real challenge in this area. We are a semi-arid district of about 0.03 of a metre rainfall. Our local reservoirs are often dry. We are completely dependent on our main supplier, the Darling River. Unfortunately, with the recent three droughts over the last 12 years or so, that has put Broken Hill in a challenging position a number of times. With the most recent one in February 2014, as previously spoken about by WaterNSW, the control of the lakes reverted back to New South Wales. From that time, the first reports came out—modelling, remaining water storages, and salinity.

With drawing down of water bodies, treating water is a real challenge, whether it is reservoir water or lakes water. We keep a very close eye on the modelling of remaining water storages. As 2014 continued and about mid-year 2014, the forecast of El Nino started to raise some alerts for us. It became apparent that we would be unable to treat the water with existing treatment processes that we had some time in early 2015, so we worked with some government departments raising the issue with the local member at the time, and the Minister for Water. Fortunately, those escalation protocols gained some government funding and we managed to initiate some drought contingency projects. The first of those was to get water delivered into Copi Hollow so that we could restore our pumping station there to deliver water into Broken Hill for approximately 12 months at reasonable quality of low electrical conductivity [EC], with a knowledge that by March 2015 the salinity in the Darling River would go to about 2,000 ECs.

We found with earlier droughts, the millennium drought in particular, that Broken Hill was challenged, and quite severely at that time where ECs went to about 3,500. The local water supply at that time reached 2,000. We also had a number of other events with high ECs, which results in very poor water quality. It becomes unpalatable, and it creates issues with evaporative air cooler and corrosion in hot water systems and things like that. It is a very difficult situation. We worked to ensure that that did not happen this time. If the Committee allows, I would like to pass out some reports. I have nine copies here, as suggested by the minutes. What these graphs show are the salinity levels in the Darling River in the 2003 event compared to the treated water electrical conductivity in Broken Hill. Members will note that in the 2003 event we had very little control, even though we had some water remaining in Umberumberka at the time, allowing us to blend the water in Broken Hill to keep the ECs down a little.

Unfortunately, Umberumberka failed as well, expiring, and the ECs in Broken Hill at that stage went to about 2,300 ECs. At that time the reverse osmosis plant was installed in Broken Hill but as it was commissioned the drought broke, and as you will notice in the graph, the ECs in the Darling River then fell back down—still above 1,000 but much lower than the 3,500. The following graph shows the events in 2007, when again the Darling River peaked at more than 2,000 ECs. Through restrictions and blending, and clearly with some water still in Stephen's Creek, we were able to nullify the event to some extent and still without the reverse osmosis plant able to operate fully as we did not have a brine disposal at that stage.

The third graph shows the events of 2014 through to the current date. It again shows the actions that Essential Water initiated, allowed by the filling of Copi Hollow. Members will notice on the graph that by about March 2015 we were supplying water from Copi Hollow through to Broken Hill, even though the ECs in Weir 32, or the Darling River, went up to about 2,250 ECs. You will notice that management through that period allowed us to initiate, through other government agencies, the reverse osmosis plan augmentation to 10.5 megalitres per day plus the brine disposal, which came on line just in time as Copi Hollow was due to expire. By the end of 2015, as Copi Hollow drew down, the reverse osmosis plant was then online. The important part of all this, if you look at the red line on the third graph showing 2014 to 2016, you will notice that the ECs were maintained at around the 1,000 EC mark in Broken Hill. Also attached are the reports for water quality. There is the report for the calendar years 2014, 2015, from January to March 2016 and from April to the end of June 2016.

The CHAIR: Does Essential Water have a contracted obligation to achieve a certain quality? If so, what is that?

Mr COFFEY: Our requirement as a water utility is to meet the drinking water health guidelines and attempt to keep the aesthetic guidelines as acceptable as possible.

The CHAIR: Do the electrical conductivity figures affect the water quality health limits or is it more the turbidity, the appearance?

Mr COFFEY: You are quite right. There are no health limits on salinity, the reason being that as the salinity goes up it effectively gets unpalatable and people just cannot drink enough of it to cause any great damage. Clearly it is a real issue for the community. It affects gardens and, as I say, hot water systems out this way rely on evaporative air coolers. Evaporative air coolers in their own function generate their own salt, so if you are putting in salty water they crust up a lot quicker and things like that.

The CHAIR: The build up of material on heat exchanges lead to machinery breakdown as well.

Mr COFFEY: Certainly corrosion, but as far as evaporative air coolers go, it just means that you need to flush them more often.

The CHAIR: Yesterday when we were inspecting the pipeline you showed us some photographs of failures of the pipeline and there was quite a bit of discussion around testing of the wall thickness along the length of the pipeline. Do you have any estimate as what the future life of the existing pipeline is or, given no change, if the pipeline continued to take supply from the Menindee Lakes as it is what the future scenario is?

Mr COFFEY: The Menindee pipeline was constructed from the period 1948 to about 1955, quite a long time. It is 99 kilometres long from Menindee to Stephen's Creek. Clearly some of the sections are older than others. There are about 72 stock crossings where the pipeline dips into the ground and then comes up. There is also a 3.2km section underground, in an area called Horse Lake. We have got about five cathodic protection units along the pipeline to try and mitigate corrosion. All that said, if it were anywhere else other than a very dry climate, it would have reached the end of its useful life. As I stated yesterday, that said, some sections could last another 30 years, but what we do know is that some sections are in very poor condition. I showed photographs of some of the failures yesterday. If it was not for the proposal of the Murray pipeline we would certainly be initiating replacements of sections of the Menindee pipeline and it is a very high capital cost that certainly the ratepayers of Broken Hill would not be able to accommodate.

The CHAIR: Is it passive cathodic protection?

Mr COFFEY: The initial cathodic protection was. From about 1985 onwards we put in the impressed current.

The Hon. RICK COLLESS: Thank you for your time both yesterday and today. Can you give us some background, if you have these figures available to you, about how the water charges for Broken Hill compare with other regional towns in New South Wales?

Mr COFFEY: I will have to take that on notice. I will add that the water charges in Broken Hill are \$1.77 a kilolitre of treated water and, along with the access charges, the average consumption is about 285 kilolitres per year. In restricted periods, as of last year, the average was 237 kilolitres per customer, but in an average year that equates to about \$2.30 per day per resident for treated water. As far as comparing with other utilities, I will have to take that on notice, I am sorry.

The Hon. RICK COLLESS: To what other major centres in regional New South Wales does Essential Water supply water?

Mr COFFEY: The area of operation of Essential Water is from Menindee to Umberumberka. So we supply treated water to Menindee, we supply chlorinated, filtered water to Sunset Strip, and at Silverton I think we have about 50 customers that we supply with raw chlorinated water. As well as that there are the graziers and the mines that have raw water.

The Hon. RICK COLLESS: So Pooncarie is outside your area?

Mr COFFEY: No, we work only from Menindee along the pipeline to the other pipeline as far as Umberumberka.

The Hon. RICK COLLESS: On the existing pipeline, can you give us a bit of an idea about what the annual maintenance bill is on that pipeline at present?

Mr COFFEY: I cannot give you an exact figure on that. I will have to take that on notice. The issue I am going to have in replying to that is to consider the major pipeline replacement that would not be occurring if the Murray pipeline proceeds. You can imagine \$200 million to replace a 600 diameter pipe—which is no longer a requirement.

The Hon. RICK COLLESS: When the discussion was being held about the options for Broken Hill's future water supply, what input did Essential Water have into those discussions?

Mr COFFEY: We were at the forefront with all the discussions moving into the drought and it was quite clear that the community had to be briefed and kept up to date with the emerging drought crisis, we will call it. Essential Water has a Community Consultative Committee, so we expanded on that. I think it was getting towards the end of 2014 that, at the Minister's request, that committee was expanded to become the Community Consultative Committee which engaged the Menindee We Want action people and the mines and the other groups that were already along with us. Also invited along at times were the people from the Lower Darling. So that was the communications stream there. At a number of those meetings, the options, at the request of the members of the meeting, were tabled and it was invited by that forum for all options to be brought to the table. And at some stage we just had to say, "Okay, we have heard so much". I understand there was a total of 19 options tabled through that forum.

The Hon. RICK COLLESS: The current pipeline is capable of supplying, I think it is, 10 gigalitres annually, is that correct? Is that what Broken Hill's allocation is at the present?

Mr COFFEY: Our licence is for slightly under 10 gigalitres per year; that is our extraction licence. But traditionally, Broken Hill only uses about 6.5 gigalitres per year.

The Hon. RICK COLLESS: Does the capacity of the existing pipeline capably supply that or do you rely on Umberumberka and Stephens Creek to supplement it?

Mr COFFEY: The issue with the current pipeline is, as mentioned yesterday, the cement liner has failed inside the pipe. The coefficient of resistance is much higher. We certainly cannot get the flow rates that we used to get. As a matter of fact, we now need to put on a booster pump to get 30 megalitres a day up the pipeline, which we did not have previously.

The Hon. RICK COLLESS: So it is the daily limit that is critical when the maximum supply is required on a daily basis?

Mr COFFEY: The worst case supply for Broken Hill is when the reservoirs are dry and we are down to pool level at Stephens Creek to maintain our emergency three-day supply and we need to maintain that storage at the other end. We have no choice than to pump 24/7 during those times, just to maintain the storage at the other end and to ensure that that storage is topped up in preparation for the next pipeline failure. That is the situation we are in now.

The Hon. RICK COLLESS: The proposal to bring the water from the Murray via the Silver City Highway, what capacity is that system going to have?

Mr COFFEY: At Essential Water's request, our demand is 37 megalitres per day. That is based on the summer of 2014 when there were no restrictions, when Stephens Creek was at its pool level. At that time we pumped for two consecutive weeks from Menindee, with an average of 30 megalitres per day, with five megalitres per day also being supplemented from Umberumberka.

Mr SCOT MacDONALD: Is there any cross-subsidisation within your water business? Is there any cross-subsidisation between your other businesses, say the power business and the water business?

Mr COFFEY: Historically there has been but currently no. All cross-subsidies have now been removed. We are very fortunate that the Government came to the party and funded these drought projects, otherwise we would have had the scenario back in 2003.

Mr SCOT MacDONALD: And roughly how much was that expenditure?

Mr COFFEY: For the short-term drought projects it was a touch under \$16 million.

The Hon. MATTHEW MASON-COX: I want to ask you about the Carpentaria iron ore mine. Is that mine likely to be a customer of Essential Water or is that mine going to be able to find its own resource, if it does proceed?

Mr COFFEY: The last discussions I have had with Carpentaria are that they intend to source groundwater from around the Pooncarie area.

The Hon. MATTHEW MASON-COX: Are there any other potential commercial customers that you can foresee coming on that could be needing water from Essential Water?

Mr COFFEY: Number one, we do not know who the proponent is going into the future. So, to be honest, I do not know that Essential will be operating the pipeline or be the proponent to sell water from the pipeline to other customers. Having said that, Essential is always looking to expand its customer base, if at all possible.

The Hon. PAUL GREEN: In regard to the Menindee pipeline, we looked at those photos yesterday and those holes in the pipes are quite devastating. Has the figure been arrived at what it would take to totally revamp that line?

Mr COFFEY: The figure I have seen is in the region of \$180 million but, to be honest, I do not know how rigorous that is. For example, you can quote a figure to replace a pipeline but has that included all engineering costs at 15 per cent and all the other issues? I honestly do not know.

The Hon. PAUL GREEN: The point being you get the half-a-billion-dollar pipeline and, as was pointed out to us earlier, the alignment, the easement, most of the stuff already exists. So it would be far cheaper probably to upgrade that pipeline. The second thing is, will that pipeline have any purpose if a new pipeline is built?

Mr COFFEY: The answer to the first question: the half-a-billion dollars is not just the pipeline, it is also the pre-treatment at Wentworth. That is the three pumping stations along the pipeline. So effectively, the community of Broken Hill would be getting an asset that should last another 80 years, with very little maintenance in the early years. As far as the long-term proposal of the Menindee pipeline, it is still in the design stage. But the graphic photographs I showed you yesterday were on the sections of pipeline from Menindee to Sunset Strip, the older sections near the dosing of chlorine. We are well aware that there are far more failures on the Menindee to Kinalung pipeline than there are from the Kinalung to Broken Hill section. That is historical.

So the proposal is to back feed water down the pipeline to the graziers. The current pipeline is stressed when pumping, not only with the static pressure from Menindee to Kinalung of 90 metres static head in the 90 metres head lift of Kinalung to Stephens Creek but also when you apply the pumping pressure on top of that you have got another 60 metres on top of that. So it is 150 to 160 metres pumping pressure, and you can imagine the effect when the power flicks off from the electric pumps, that you have tonnes and tonnes of water travelling up the pipeline which suddenly stops and then surges back again. Really, we are talking another scenario. If we are back feeding instead of feeding through your 30 megalitre a day up the pipeline and we are only back feeding one megalitre down the pipeline, the flow velocities are minute compared to the . We are in the design stage of the backflow, the intention is to further reduce the static head of the 90 metres by segmenting those rising mains in three sections with pressure-reducing valves, so that maximum pressure on any one section of pipe would be about 30 metres.

The Hon. PAUL GREEN: So your answer is that you would still use the pipeline?

Mr COFFEY: Yes.

The Hon. PAUL GREEN: The three pumping stations, would the sort of energy use that they would need be comparable to what you use with the Menindee pipes? If so, what are the cost projections of three new pumping stations in terms of energy use—because energy is not getting cheaper and my understanding is that it is quite expensive out here?

Mr COFFEY: Certainly, pumping-energy costs are one of our main costs. That is why it is important to keep our local reservoirs. When we do have El Nina cycle events, we can reduce our pumping costs. Again, I have not seen the detailed design, but from what I have seen, and as late as Monday there was an article in the *Sunraysia Daily*, they are quoting the size of the pumps on the proposed Murray pipeline of 375 kilowatts. Assuming that is three pumps—I did the calculation before I came here—that is compared to the 650 kilowatt pumps. If you pump 30 megalitres a day from Menindee, we run two 640 kilowatt pumps at Menindee, one 640 kilowatt pump at Menindee booster, two 640 kilowatt pumps at Kinalung, one 640 kilowatt pump at Kinalung booster, and one 840 kilowatt pump at Stephen's Creek to get water into Broken Hill. When you total it up, compared to three lots of 375 kilowatts plus it was quoted at 400 for the low-lift pump, off the back of the envelope, it is a reduction in electricity of 25 per cent. I am quoting figures that were stated from a report in the paper. Off the back of the envelope, it would appear to be cheaper electricity costs.

The Hon. PAUL GREEN: I have not seen the proposal for the new pipeline, but is that proposing to use renewable energy—wind or solar or something like that—to offset those pipe costs? That would be traditional electricity?

Mr COFFEY: My understanding is that there is a solar farm of some type proposed in concert with the pumping station, but again I have not seen the final detailed design. That is a further reduction in on-costs, albeit that solar has a life of only 25 years.

Mr JEREMY BUCKINGHAM: Mr Coffey, Lake Umberumberka, can you give us a bit of a history of that and why that is not part of the mix of solutions here in Broken Hill? How does it fit into the Broken Hill water supply? Will it play a role going forward?

Mr COFFEY: Certainly. Umberumberka Reservoir was commissioned in 1914. At that time it had steam engines. It was only ever made for one pump to operate along the 450 diameter pipe. The supply from Umberumberka can only supply 10 or 11 megalitres per day, depending on which units are used out there. It is a very old pipeline. It is the original rising main pipeline from the pumping station to the top of the rising main. We replaced probably half of the pipe on the gravitation main into Broken Hill. If there was water at Umberumberka, or when there is water at Umberumberka and we are pumping from Umberumberka, you can really only supply the town in the coldest days of winter. Nine to 10 megalitres a day is a very, very cold winter supply.

It is beneficial for us, as we have seen before, to blend with high-salinity water, if we have high salinity in Stephen's Creek or coming from the Darling. It is great. It can also be used during times of high-pumping tariffs. In the middle of summertime, instead of running at 30 megalitres a day from Stephen's Creek, we can drop that down to, say, 20 megalitres a day from Stephen's Creek and bring in the diesel pump, which reduces cost. If you can do that for the whole month, it actually knocks our energy bill down with reduced demand charges, which is quite beneficial. You are quite right. But the issues with Umberumberka are the age of the pipeline and the age of the wall, which is 100 years old.

Mr JEREMY BUCKINGHAM: Who owns it?

Mr COFFEY: It is an Essential Water asset. We intend to keep it to harvest opportune water. The point of Umberumberka, if it were full, it could not supply the needs of Broken Hill at all. It can only supply the needs of Broken Hill for the coldest month of winter. It serves only as a supplementary supply.

Mr JEREMY BUCKINGHAM: What is its capacity in terms of megalitres at peak? How many megalitres can it store? How often does it fill? Is it once every generation? How often is it that they get any water in there?

Mr COFFEY: When an opportune la niña goes past, as we saw in 2010, 2011 and 2012 when it overflowed for much of those three consecutive years, by 14 months later it had gone down to a puddle. It was dry until January 2015. We got about a metre and a half in January 2015 and by September 2015 it was dry again. So it did not help us at all in this cause of concern. It did not allow us to blend any water or any opportune water. Let us not forget the issues with the reservoirs. The longer that water lies there, the more the organics soup up and it becomes very hard to treat. It is fine when it is fresh. It is similar to lakes and everything else.

Mr JEREMY BUCKINGHAM: So when there is water there, you use it pretty quickly. How many megalitres does it hold? Is it 20,000 or something?

Mr COFFEY: It holds about 7.5 gegalitres.

The Hon. PENNY SHARPE: Thank you for showing us around yesterday. I want to ask about the main pipe, the Menindee pipe, as it is, and accept that there are lots of maintenance issues with it. Can you explain to the Committee how many pipes are running off it on the way between Menindee and Broken Hill?

Mr COFFEY: The Menindee pipeline consumers I believe account for about 20 take-offs, grazier tapings. The Menindee Lakes Caravan Park and the Sunset Strip community come off that too.

The Hon. PENNY SHARPE: There are about 20. You are responsible for maintaining the take-off lines?

Mr COFFEY: No. We have a meter at the pipeline and from then on it becomes the customer's responsibility.

The Hon. PENNY SHARPE: If the main line becomes decommissioned, from what I understand you were saying to Mr Green before, you expect though that there will still be some water available for the graziers from that pipeline in the future?

Mr COFFEY: We intended to back feed along that pipeline to existing customers.

The Hon. PENNY SHARPE: The cost of the maintenance of that pipeline, as is the case now for those people who have take-offs from the line, would remain about the same?

Mr COFFEY: Yes. What we need to do is look at operating costs as time goes on. As with all of our operating costs and our business cases, we present those to the Independent Pricing and Regulatory Tribunal [IPART] as time goes on. Everything changes, yes.

The Hon. PENNY SHARPE: I know that you have given the Committee a figure today of \$180 million for full replacement of the current pipeline. Has there been any serious examination of refurbishing the pipeline as has occurred in many other places where they have put a pipe within a pipe?

Mr COFFEY: We had a study done in 2005 of slip lining, as it is called.

The Hon. PENNY SHARPE: That would be the technical term, thank you.

Mr COFFEY: The problem is twofold. As I said, the inside of the pipeline is no longer smooth; it is very rough. Having said that, you can certainly push a pipe up it. The problem with doing that is the head pressure. You need a very thick wall of what is effectively poly pipe to maintain the pressure, and that would reduce the pumping capacity. We would need more pump stations along the pipeline and more surge vessels. That study has been done and it was found not to be practical for our demand.

The Hon. PENNY SHARPE: In terms of cost, if you talk about \$180 million to completely replace it, what is the order of cost of that process?

Mr COFFEY: All costs aside, it would not meet demand anyway, and that is why it was ruled out.

The Hon. PENNY SHARPE: Thank you for providing information on the water testing. I note that it was for public release. What material do you not release?

The CHAIR: Have you stopped beating your wife?

The Hon. PENNY SHARPE: I am not trying to be tricky. I am interested in what is not in the public domain in relation to water quality.

Mr COFFEY: What is in the public domain is the general areas of concern. I think heavy metals and things like that were mentioned yesterday. We put all of that out there.

The Hon. PENNY SHARPE: Is that mandated, or is it what you choose to put out?

Mr COFFEY: This is a normal, average, water utility report. These are extracts from the NSW Health's report. NSW Health looks at everything we have. When we did the consultation meetings, the possibility of bore supply became very topical. During those meetings, I had the full analysis on the screen showing what was above the guidelines, as in raw water not only treated water. When I refer to the "guidelines", I am talking about treated water guidelines. I then highlighted what had to be treated, the anolytes, and what elements had to be treated and whether they could be treated. That was all presented. I do not believe we have been trying to hide anything.

The Hon. PENNY SHARPE: I am not accusing you of that; I am simply interested in what you choose to publish, what is not published, and the reasons it is not published.

The Hon. DANIEL MOOKHEY: What is the current average megalitre consumption per day?

Mr COFFEY: Our annual average is about 14.5 megalitres a day.

The Hon. DANIEL MOOKHEY: Are you saying that the pipeline will have a maximum capacity of 32 megalitres?

Mr COFFEY: No, 37 megalitres.

The Hon. DANIEL MOOKHEY: On average, the pipeline will be used only at 30 per cent or 40 per cent of its maximum capacity per day.

Mr COFFEY: On average.

The Hon. DANIEL MOOKHEY: People have expressed concern about the concept referred to as "gold-plating". Do you think that is a valid criticism?

Mr COFFEY: For Broken Hill to survive on 14.5 megalitres a day continuously is ludicrous. We called restrictions and went to level 3 in January 2016 so that we could—as you can see from the graphs—blend water with the 10 megalitre per day RO plan to produce 13.5 megalitres. Our demand in town to maintain businesses and the mines was still above 20 megalitres a day. To say that all you can have up the pipeline is 14.5 megalitres—

The Hon. DANIEL MOOKHEY: That was not my suggestion. I understand that you said 37 megalitres was determined on the basis of a summer two-week period of peak demand two years ago. Is that correct?

Mr COFFEY: That is right.

The Hon. DANIEL MOOKHEY: Given that the Independent Pricing and Regulatory Tribunal must recover the cost of daily averages, the concern is that this junction between daily average and peak average is

too big. There is logic in the model, but I am asking whether or not 40 per cent capacity or 350 days is too low for it to be economic and to keep the costs down.

Mr COFFEY: What you are suggesting relates to my previous comments. If you average the middle of winter with the middle of summer, you end up with a figure of 14.5 megalitres. I do not understand the question if you are suggesting that providing the community with what it needs in summer is gold-plating.

The Hon. DANIEL MOOKHEY: You said there was an estimate that the current cost per day per customer in Broken Hill was \$2.30, and that covered both the access charge and the consumption rate. Is that correct?

Mr COFFEY: On average, yes.

The Hon. DANIEL MOOKHEY: Have you prepared an estimate of what that will be after the pipeline is constructed?

Mr COFFEY: Again, I do not know the operating costs of the pipeline.

The Hon. DANIEL MOOKHEY: Who does know the cost?

Mr COFFEY: I understand that there will be a meeting with Gavin Hanlon from what I gleaned yesterday.

The Hon. DANIEL MOOKHEY: Have you been asked to provide an estimate of the operating costs given that you might be operating it?

Mr COFFEY: I do not know what they are at this stage. We have not been given those figures.

The Hon. DANIEL MOOKHEY: Do you expect to be operating the pipeline after it is built?

Mr COFFEY: The only way it can interface with Essential Water's assets is for the Mica Street control room, which currently controls all the pumping stations into Broken Hill, effectively to control the pipeline. That is the only way it will work. Whether or not Essential Water owns the pipeline and the assets, it will depend on who is the proponent.

The CHAIR: Unfortunately, we are out of time. Mr Coffey, any questions taken on notice should be answered within 21 days of receipt. Can you provide the photographs showing the condition of the pipeline and the breakouts for inclusion in the report?

Mr COFFEY: Certainly.

The CHAIR: Thank very much for your time yesterday. It was most informative, and it gave the Committee a good idea of how the system works.

(The witness withdrew)

MARK HUTTON, Treasurer of the Broken Hill and Darling River Action Group and the Broken Hill Menindee Lakes We Want Action Facebook Group, affirmed and examined

THOMAS ERIC KENNEDY, President of the Broken Hill and Darling River Action Group and the Broken Hill Menindee Lakes We Want Action Facebook Group, sworn and examined

The CHAIR: Welcome. Would either of you like to make an opening statement?

Mr KENNEDY: I would. We are representing the Broken Hill and Darling River Action Group [BHDRAG], which is an incorporated association and has over 800 paid members. We also are part of the Facebook site Menindee Lakes We Want Action, which has 16,000 signed-up members. BHDRAG membership consists primarily of people who have an interest in protecting the Darling River and Menindee Lakes. Most people have a vast knowledge of the water system and the effects mismanagement has had on it.

Mark and I have been advocating for Darling River and Menindee Lakes since and before 2002. I was a Broken Hill City Councillor from 1999 to 2007 and have just been elected again in September this year. We attended meetings held by the Department of Natural Resources and Department of Land and Water Conservation from 2002 onwards. Those meetings were often chaired by David Harris, regional director of the DNR, or Geoff Wise, regional director of the DLWC, and were held to explain why they had mismanaged the Menindee Lakes from 2002 when a full Menindee Lakes system had all its water released, leaving just 12 gigalitres of water for Broken Hill's supply. During meetings in 2003, David Harris admitted that the government departments had made a mistake and said it would not happen again. He said decisions were made to release water from the Menindee Lakes system to supply the Murray River to South Australia rather than the Dartmouth or Hume dams because the Menindee Lakes system was a fast-fill storage, and in hindsight he was wrong.

The mistake made by the government departments caused critical water shortages, resulting in Broken Hill being only weeks from having to train water in. Many households ripped out their gardens and replaced them with pavers, concrete et cetera. This caused the water authority to increase water charges as the city's overall water usage dropped. This in turn made it vastly more expensive for those who kept their gardens and caused some of them to remove gardens. Most houses no longer keep a grassed verge, which has added to lead effects for the community. Exposed soil is now common—soil that is well over New South Wales soil lead guidelines of 800 parts per million. Ninety per cent of the soil in Broken Hill is well above 800 parts per million lead, with some areas up to 15,000 parts per million.

Mark and I also attended all meetings held by the Government from 2002 onwards concerning the Greater Darling Anabranch. New South Wales Government departments and other government agencies proposed to pipe water along the anabranch rather than have a natural flow. Their reasoning was to save 47 gigalitres per annum. Government representatives guaranteed that water would flow down the anabranch once in three years and at least three times in 10 years. This was put in the government agreement. The meetings were attended by Aboriginal representatives, all landholders on the anabranch, Broken Hill City Council and the community, and all but two who attended meetings opposed the pipe. After the Menindee Lakes system was drained in 2002, it caused the anabranch to be dry by 2004, which ultimately resulted in landowners accepting the pipeline for stock and domestic. Since 2004 there has been one flow down the Anabranch. The guarantee has meant nothing, and a vast ecology that had more bird species than any other area has been devastated.

Mismanagement from the DNR, DLWC and the Murray-Darling Basin Commission enabled them to push their agenda for the anabranch. In 2008 the Menindee Lakes again had substantial water in them. Confidence returned, and tourism and the economy improved. In 2012 the lakes were in surcharge. By the end of 2013 water levels in the lakes were critical and Broken Hill was placed on water restrictions. After a promise from David Harris in 2003 that they would not make the same mistake again, the Murray-Darling Basin Authority and the DPI did exactly the same thing that was done in 2002 and released water from the Menindee Lakes system at a rapid rate, again leaving the city in a situation that resulted in water restriction, dying gardens, non-existent tourism for the Menindee Township and many in Broken Hill questioning its motives. The mistake in 2002 resulted in a pipeline which replaced the Greater Darling Anabranch, and we are now looking at a pipeline from the Murray to Broken Hill which undoubtedly will eventually replace the Menindee Lakes system.

Part of the scope of works from Public Works for the Murray pipeline must prove a net socio-economic benefit to Broken Hill. The pipeline will have a devastating effect on the social fabric of Broken Hill and will affect the economy in a negative way, as the Menindee Lakes system has a substantial positive effect on the Broken Hill economy. I have no doubt the Department of Housing and Public Works will decide there is a net positive socio-economic benefit to the Broken Hill community, as the pipeline is about not the net benefit to

Broken Hill but the net benefit to irrigators north of Bourke and the large contributions they make to political parties. In my view, in the same way a government mistake resulted in the anabranch pipeline, it will result in a Broken Hill Murray pipeline, and all the guarantees that the pipeline will not result in the Menindee Lakes system being used only for flood mitigation will mean as much as the guarantees given for the anabranch: nothing.

Mr HUTTON: I will add a bit to that on accountability in government and government departments. There does not seem to be any accountability for the decisions that are made that adversely affect thousands of people out here in the far west. We have lost millions of dollars in tourism. Our local businesses have gone broke because of the decisions that were made by the DPI, the Murray-Darling Basin Commission and the New South Wales Government.

An analogy: if I were to go to Lake Menindee tomorrow and shoot some ducks for Sunday dinner, I would be dragged through the courts, fined, probably jailed and my guns would be taken off me. Yet the New South Wales Government, the DPI and the Murray-Darling Basin Authority have killed thousands and thousands of birds, fish and animals of all types, including endangered species, in the Menindee Lakes system over the last 10 to 15 years, and no-one has been held accountable. I believe accountability is non-existent. This is what has to happen: We need accountability in government. It cannot be allowed to get away with things that it is doing, especially out here to the people in the far west.

The CHAIR: The Deputy Chair will lead with questions.

The Hon. MICK VEITCH: Thank you for your submission and opening statements. The Menindee Lakes system is more than a water source for Broken Hill; it is a whole range of other things. Can you tell me in a few short sentences what is important about the Menindee Lakes system for your organisation?

Mr HUTTON: I can speak for most people in Broken Hill. I have spent probably the best part of 60 years camping, fishing on the Menindee Lakes and Darling River. My father lived in Menindee during the Great Depression, lived in what they used to call bag huts. They used to whitewash wheat bags, and that is what they lived in. I spent all my life—my parents took me hunting, fishing and camping on the river, as I have done with my children. Back in those days you never took water to the river. It was like taking coal to Newcastle, because you could drink the water out of the river. You cannot anymore, not unless you want to end up in intensive care. The Menindee Lakes, to us in the far west, is like our Bondi Beach. It is basically the only place where we can go close to have recreational value for us. It has been attacked over the last 15, 20 years by government departments, by upstream users, by cotton growers, the National Farmers' Federation, Cotton Australia, all wanting their little piece. Unfortunately, they are taking too much.

We are at the stage now—at the tipping point—that if we do not do something, we are going to lose Menindee Lakes. I know this association that I have, and the upset that my family and I feel over the destruction of the Menindee Lakes. I cannot imagine the feelings of the Indigenous people that live on the river, the Barkandji people. I cannot imagine the sorrow that they feel over what is happening. As I said, it is our main recreational area. It used to contain thousands and thousands of ducks and fish and turtles. As I said, by a stroke of the pen, any of the Government departments and the New South Wales Government can destroy all that, with no accountability. Does that answer your question?

The Hon. MICK VEITCH: Yes, it does, thank you. Mr Kennedy?

Mr KENNEDY: It is more than water supply. It is recreation. Broken Hill is a dry place. We do not have many cities or towns around us. Menindee is our closest town. It has water there. As Mark said, most of you people are from the coast—well, you are not.

The Hon. MICK VEITCH: I am not from the coast, but considering Broken Hill's proximity to the coast, I am coastal to you.

Mr KENNEDY: Well, you would be horrified if you lost your ocean and that is what it is like for us. It is not just recreation. Menindee injects a lot of money into the Broken Hill community. Over the period when it has been dry for the past two or three years, tourism has dropped significantly. People will say, "Oh, it is not that bad." They will blame counters on doors of the tourism facility, and that sort of stuff, but ultimately, particularly if you ask people in Menindee—when you go up there Menindee was depressing to even look at. That is the Menindee township. People are flat; people are depressed. I do a lot of work there. You go to people's houses, they are talking about how bad it is; when do you think it will get better? They know I am heavily involved in the water, so they ask my advice all the time. They are willing to give me advice and tell me how bad it is for them personally.

When the water came back into the lakes just recently, the whole feel of the place changed. It was positive. Everyone was positive. Before you knew it, there were hundreds of caravans parked around the lakes, on the river. All the shops in Menindee had people in them. The hotel, the motel had people in them. It was completely changed to what it was. If you had seen Menindee six months ago, you would think, "Oh, you would not want to go there." If you see Menindee today, you would think, "Oh, that is a nice bustling little town." I suppose in 2003-2005 people thought Menindee was going to grow something similar to Mildura. It was not going to be the same size, but it was going to be a happening place. It went dry. People lost confidence. Suddenly Menindee was not going to grow. It has just died. It has gone backwards. This latest dry spell is almost the nail in the coffin of the Menindee Lakes township.

The Hon. MICK VEITCH: Mr Kennedy, in your opening statement you mentioned the issue of lead and the need for water to help remove the lead. Can you expand on that? First, the importance of water and how the water is used?

Mr KENNEDY: The water is very important. The most important thing, and it is in the New South Wales guidelines for lead, the only real barrier between children and lead in soil is vegetation. It is the only real barrier. It suppresses the lead dust; it is not so blown around. There are other things. People say wash your hands, put down blankets, that sort of stuff. But you do not have to do that if you have vegetation. The vegetation tends to stop the dust blowing around, which stops it getting on kids' fingers, which it is on when they eat. For the first time in many years the lead level in Broken Hill children has risen. It is the first time in many years. I would say that is a direct result of the fact that people had to stop watering their gardens because of restrictions. It is very hard for people to water gardens when they have to hand water.

I was the president of the Broken Hill Soccer Association. We were not allowed to water, so our fields turned to dust. You have kids running around on dusty fields. I have no doubt that affects lead. Broken Hill is different to Sydney, different to other places. The lead in our soil is well above guidelines in many parts of Broken Hill, and they say in up to 70 per cent it is above 2,000 parts per million, which is 2½ times more than the safe level guidelines they use for Sydney. South of Broken Hill it is 10,000 to 15,000 parts per million in some areas. If you do not have that vegetation, you are looking at 1.5 per cent of lead in the soil. Water is important.

As to the price of water, you were talking o John Coffey earlier. As the price of water increases in Broken Hill, and it does not have to increase very much, you will see some people will pull out their garden. When people pull out their garden, it means there is less water used, and that results in increased prices at the next IPART determination, and it goes on and on, so it has a cyclic effect. Our usage has gone down from a maximum of 33 megalitres a day, and this is in summer, down to between 18 and 24 megalitres litres a day. That was from Guy Chick, the former manager of Essential Water. He gave me the last five years worth of maximum uses over the summer period. So the 33 megalitres that they talk about and which was used to decide the pipeline at 37.4 megalitres is from 2002-03. It just does not happen anymore. Our usage is around 22 megalitres in summer, in a dry summer, which means that they have got the pipeline 15 megalitres over what our maximum usages are.

The Hon. MICK VEITCH: This is my last question before I hand over to my colleagues. Gentlemen, I take it from your opening statements and your submissions that you do not support the Murray pipeline?

Mr KENNEDY: No, I do not support the Murray pipeline at all. In essence, it is going to cost a lot of money. There has been no commitment or guarantee given by the Government that it will not cost the people of Broken Hill. We heard John Coffey, we have heard other politicians, and the Department of Primary Industries say IPART decides that. Well, IPART decides a cost. Essential Water will put in what it is going to cost them to operate and it will be passed on to consumers, maybe not in the next IPART determination, but eventually it will.

Mr HUTTON: I was at a water meeting with Geoscience Australia in 2007 with Katrina Hodgkinson, I am sure it was. We asked a question about what would be the cost to the end user—there are around 9,000 end users—what the cost per kilolitre would be, and they could not or would not give us a cost of what it would be per end user. The Minister actually asked them the same question and they said that they did not have the figures, or they would not give her the figures. At that time she canned the whole thing, that was for the recharge system. The same thing seems to be happening here where you cannot get a figure of the end cost. Now, we have got a lot of pensioners in Broken Hill. It is an ageing population, and they cannot afford to have their water bills doubled, which is probably what it would be.

The CHAIR: Your submission to this inquiry is pretty detailed. Thank you for the detailed information. Does your organisation have any official status? For example, are you able to put these ideas before IPART?

Mr HUTTON: Yes, we attended the last IPART meeting held in Broken Hill. We send off submissions to anybody who asks.

The CHAIR: How long has your group been going?

Mr HUTTON: The end of 2003, so a long time.

The CHAIR: I am very impressed by your submission.

Mr HUTTON: Thank you.

The CHAIR: I get the impression from what you have said today and also from your submission that there are a number of elements to your disagreement with the pipeline. The first thing is that you seem to be demonstrating that there is reason for your not having confidence in the Government to be able to tell you the truth. The second thing is that it appears to me that you are assuming that while ever Menindee Lakes is required to provide water for Broken Hill, the Government will be forced to maintain Menindee Lakes and the river. But if the water comes from the Murray, it removes the obligation to keep the Menindee Lakes operating for this area and therefore would free up the ability to steal water north in the Darling, which would end up with a worse situation than what you have now.

I am not trying to tell you that the Government would be capable of reassuring you that all of those things would not happen, but it seems to me that if you could provide water from another source and at the same time maintain community service obligation—and there are many in government departments such as State Forests, et cetera, that have all these obligations—that you and the local Indigenous people require insofar as the maintenance of the lakes, it would be a better thing for Broken Hill because of the security. Is that a reasonable proposition or is there just no trust there to go down that path?

Mr KENNEDY: What you are saying is right in one respect but in the other respect cost is a very important thing to Broken Hill.

The CHAIR: Sorry, I did not mention that. One requirement from this community would be that irrespective of where the water comes from there should be equity to try to maintain the current status quo?

Mr KENNEDY: Yes.

The CHAIR: In other words, if it cost \$2.50 a kilolitre then that is what you would want to see going forward into the future. If you do not see that and you see it go to \$3, \$4 or \$5 a kilolitre, it will cut the throats of too many people in the community.

Mr KENNEDY: It would destroy the community.

The CHAIR: I just wanted to establish whether I was reading what you are saying correctly.

Mr KENNEDY: You are right. As a group we have met with the local Federal member. He put some of these things to us as well. Everyone wants the lakes to be managed in the most efficient and effective way they can. A lot of the things that have been put in that submission are not our ideas: they are government ideas that have been around for a long time. They have not been implemented, but if they were implemented the lakes could be managed a lot more efficiently and effectively.

The CHAIR: Some of these ideas look like they have been around for about 100 years.

Mr KENNEDY: They used to be pretty good back in the old days. If they could provide us with another source that did not cost us extra and give us a guarantee that they could maintain the lakes—because it is fine for one government to guarantee something but when the next government comes in the guarantees are not always there. That is why I mentioned the Greater Darling Anabranch, there were guarantees that there was going to be water down there at least one in every three years and, if that could not happen then at least three in every 10 years. It just has not happened, and they were guarantees given in sitting in similar things like this where if there was a guarantee would it be accepted? People were sceptical then and in hindsight, as it turned out, rightly so because there has not been water down the Greater Darling Anabranch except once when they could not stop it. There was just so much water coming down, it just spilled over the river and went down the anabranch.

The CHAIR: It would seem that your position would be in lock step with the Barkandji people?

Mr KENNEDY: Yes, I would say so.

Mr JEREMY BUCKINGHAM: My question is about evaporation rates. Some people have described the Menindee as having massive evaporation. Do you have any comments on that element of the

management of the lakes and how they operate? People say there are two metres, 2½ metres, et cetera. What has your experience been?

Mr HUTTON: If you talk about evaporation, the evaporation rates on the Menindee Lake are no different to the evaporation rates on Lake Victoria, Lake Albert or Lake Alexandrina. They are no different whatsoever but they do not have the same trouble down there that we are having here. Evaporation rates are a furphy. It is something put out by the Irrigators Council and others with an agenda to get more water. That is all it is; it is a furphy. We had an overflow lake from Lake Menindee—Lake Speculation. It still has water in it, and that has been five years. They say that should have evaporated but it hasn't. It is still there. We can drive up and see it. There is still water in that lake.

The CHAIR: Is that a relatively deep lake?

Mr HUTTON: No. When we put this to the DPI they said it must be spring fed or something like that, which is a load of BS. It is not spring fed. Their evaporation rates and the actual evaporation rates are entirely different. As I said, water evaporates a damn sight quicker in ring tanks and dam holdings in the cotton-growing areas above Bourke—it evaporates probably one-third quicker there. So if they are worried about evaporation that is where they should be talking, not Menindee Lakes.

Mr KENNEDY: Could I also answer as well? Cawndilla, which holds approximately the same amount of water as Menindee, 630-odd gigalitres of water, is eight metres deep, nowhere near two metres. The average depth of the lakes is 6.5 metres deep and the average depth of the river is 5.5 metres deep. The Menindee Lakes are deeper than the river and people say, "It is good to keep it in the river." The river is actually more shallow than the lakes. Part of the evaporation occurs with temperature. When the lakes are full the temperature remains relatively low. You will find that it is only the top few inches that actually—if you put your hand down 30-odd centimetres it is freezing cold. When the lakes are deep you do not get significant evaporation of 10 feet and all that sort of stuff. If that was the case, you would see it evaporating before your eyes. It just does not happen.

When the lakes did get down to two or three feet in depth, if you went out to Pamamaroo it felt like soup. The water was up to 30-odd degrees and the water evaporated really quick: within three or four months that three foot of water had disappeared. But when it is deep you don't lose three or four foot of water in three or four months. They use one set of figures to promote evaporation and then another set of figures to say that evaporation does not occur. Evaporation is not just what you see going up; it is unknown losses. I do not know what unknown losses they are talking about but if you left water in the Menindee Lakes they would still have water in there after five or six years.

The CHAIR: One of my colleagues pointed out to me earlier this morning that the total evaporation from the Lake Alexandrina system is the total of the volume of the Menindee Lakes system.

Mr KENNEDY: They are a relatively shallow lake and when they are that shallow the temperature actually can heat up the whole area, which then causes the evaporation. Because the lakes are quite deep—eight metres at the deepest end, 6.5 metres on average—when you are talking 6.5 metres average you do not have too many two metre depths in that area.

Mr JEREMY BUCKINGHAM: To characterise your submission, the effect of the mismanagement on the anabranch was to precipitate a pipeline?

Mr HUTTON: Yes.

Mr JEREMY BUCKINGHAM: The effect was to precipitate a pipeline that then led to a situation where the anabranch did not get any water delivered to it. Not enough water was being released and allowed to flow through the system to deliver to the anabranch. Is it your concern that exactly that same situation is now before us with the Lower Darling?

Mr HUTTON: I am not a detective or a private investigator but if you join all the dots together, firstly, the piping of the Great Darling Anabranch which took the reliance off Lake Cawndilla.

Mr JEREMY BUCKINGHAM: Can you briefly describe that pipeline, the anabranch pipeline? Where is it from?

Mr HUTTON: The anabranch pipeline starts down at Wentworth and then comes up along the Wentworth Road and supplies all the users that used to get water down the anabranch and have small dams along the Anabranch, that is how they used to supply water. But they actually supplied those stations with a pipeline. The pipeline stops about 40 kilometres south of Menindee. That stopped the need then to put water down the anabranch to supply those landholders. That was the first thing. The Government had to do that in

order to take the reliance off Lake Cawndilla. In 2004, when the lakes again dropped, the excuse then was that it was a surveying mistake. It put Broken Hill in a precarious position and Menindee and all the other small towns as well. Again, in 2012 they dropped the water and this time their excuse was that they used their "use it or lose it" rule, which again comes down to evaporation.

I believe they were staged events to get to an end outcome, which is the pipeline. All these events, right from 2003 and 2004 or the start of the century right through—the end game is to put a pipeline through from the Murray to Broken Hill in order to take Broken Hill's reliance off the Menindee Lakes so that water can be freed up for upstream use on the cotton fields. That is the end game, I have no doubt. I have been in this 15 years and that is the end game—to supply that water from the Menindee Lakes for irrigation or for "more productive use", as the New South Wales Department of Primary Industries [DPI] calls it. And that will be the end of the Menindee Lakes.

Mr SCOT MacDONALD: Did Toorale Station, when it was acquired in 2008, pick up about 14 gigalitres or thereabouts, depending on the year?

Mr HUTTON: Yes.

Mr SCOT MacDONALD: Do you see that strategy as part of your future, more of that sort of thing?

Mr HUTTON: The most cost-effective way to return water to the Darling and the Murray is to buy it back. That is the most cost-effective way for the taxpayers: to buy it back.

Mr SCOT MacDONALD: By whatever licence they have?

Mr HUTTON: Yes. The Murray-Darling Basin Authority probably went about it wrong in the first place by buying too much out of certain areas. Instead of buying little bits all over the place, they went mad and bought too much out of certain places. Getting back to that, especially Toorale, probably the Darling River Action Group went along with Penny Wong and were instigators in getting that station bought and getting that water returned to the Darling. We would rather it had gone back as a working station but the Government, in its infinite wisdom, decided to turn it into a national park, which now costs the taxpayers money.

Mr SCOT MacDONALD: But for you, the benefit was the water. The farm could have stayed, as you say, some sort of dry land operation?

Mr HUTTON: Yes. We do not get a lot of water down that river but when we do, it comes down pretty hard and fast. It is called the "river of sand". But 14 gigalitres, the Toorale station had actually dammed off the river before it went into the Darling River and they were all illegal dams. And there are quite a few of them around on a lot of the tributaries. Our local member has, since about 2014, enacted retrospective legislation that made all those illegal dams legal, through the New South Wales Parliament.

Mr SCOT MacDONALD: When you say even just a small little wall, 200 millimetres or something like, that would divert a lot of water. Does that require a licence?

Mr HUTTON: Sorry, I did not quite hear you?

Mr SCOT MacDONALD: Maybe you were answering it. When you do a very small dam, a little diversion, a little wall, does that require a licence?

Mr HUTTON: Absolutely, and it always did, but there were a lot of illegal ones around which retrospectively have been made legal. I do not know how you can do something illegal and then make it legal. If I did that, I would end up in jail.

The Hon. RICK COLLESS: You talk about the purchase of Toorale and 14 gigalitres. In your submission you say that "rare contributions come from the Warrego River and very occasionally from the Paroo River". What actually did Penny Wong buy then, when she bought that \$40 million worth of air space out of the dam at the Warrego River that makes a rare contribution to the Darling flow? In hindsight, do you think that was a good purchase?

Mr HUTTON: I think any water returned to the river is a good purchase, but whether it was worth \$40 million or not, I do not know.

The Hon. RICK COLLESS: "A rare contribution" is how you describe it.

Mr HUTTON: Yes.

The Hon. RICK COLLESS: You just said it yourself—the "river of sand". It very rarely flows in any great quantity.

Mr HUTTON: Yes, but Toorale station also used to pump from the Darling back.

The Hon. RICK COLLESS: That is a different issue than what comes down the Warrego though, isn't it?

Mr HUTTON: Yes, but by buying that licence that then stopped them pumping out of the Darling. So part of that 14 gigalitres would have been that licence to pump out of the Darling, not just what comes down the Warrego. They grew cotton and irrigated cotton and wheat over there and had a nice big lake to ski on and a few other things.

The Hon. RICK COLLESS: In terms of the cotton industry then—and we are all aware of the value of that industry to the economy, you cannot deny that.

Mr HUTTON: It depends on where you place your value.

The Hon. RICK COLLESS: Well, that is true. But in terms of the straight out value of that industry, it is pretty well known. So where do you think the right balance lies between having a viable irrigation industry in New South Wales and having a viable lakes and Lower Darling River system that is going to survive meeting everybody's needs?

Mr KENNEDY: I will answer that one. The cotton industry does inject a lot of money. Tandou Cotton injects a lot of money into the Broken Hill community and when we have water it employs up to 100-odd people, which makes Menindee thrive. Those people buy things in Broken Hill. So of course industry is very important. I suppose what we are saying as a group is, when we have water in the Menindee Lakes, and as it is now we are only into October, we have not even had the wet season, we have had water coming down; it has been one of the wettest years in the catchment for a long time and there has been no big monsoonal rains there yet. So I have no doubt that the lakes will probably fill up this time.

If the Government, the DPI and the Murray-Darling Basin Authority manage those lakes so that water is kept in those lakes instead of being drained as they have—to go out to sea down at the Coorong or to go into Lake Alexandrina—that then enables water to be kept up in the areas where there is cotton. If we had water in the Menindee Lakes, we would not need the small and medium . But once you release that water from the Menindee Lakes, you cannot have it both ways, you cannot release the water from the Menindee Lakes and then stop the medium and small flows coming down. If they allow water to stay in the Menindee Lakes, there would be no need to allow as many medium and small flows to come down. But if they release the water, then they must give up something which has allowed the medium and small flows to keep the Darling and the Menindee Lakes healthy.

So it is quite easy: manage the water so that the lakes are used for what they have been used for for a long time. And stop talking about evaporation. Evaporation is part of the environment. The Menindee Lakes is part of the environment. We have more bird and fish species than the Coorong. They rave on about the Murray River and what is needed there for the environment. Well, the Menindee Lakes is an environment in itself and so is the Darling River and they need to start considering the Menindee Lakes and the Darling River as an environment as well.

The Hon. RICK COLLESS: As soon as the Menindee Lakes reach 640 gigalitres, the management of those lakes is transferred to the Murray-Darling Basin Authority [MDBA].

Mr KENNEDY: That is correct.

The Hon. RICK COLLESS: You are aware of that, no doubt?

Mr KENNEDY: Yes.

Mr HUTTON: Yes.

The Hon. RICK COLLESS: That water then is at call. It is on call now, really, by the MDBA for environmental flows and/or Lake Alexandrina's supplementary flows, whatever they use it for. So how do we get past that? How do we change the system so that there is not that continual call on the water, which ultimately ends up in Lake Alexandrina, or a lot of it?

Mr HUTTON: We understand it. We understand that there has got to be drying cycles in the lakes. They are natural lakes.

The Hon. RICK COLLESS: They always have.

Mr HUTTON: They have natural drying cycles. It is just a better management and letting the water out and in at certain times. It is just better management of the lakes. It can be done. It is not rocket science, but

the problem is that when you do let the water out—and obviously the water has got to go downstream; that is what rivers are for and that is what they do—if we do not get small-to-medium flows anymore, which are pumped out by large cotton and irrigation farms—and every single tributary of the Darling River has large irrigated and cotton farms, especially the Darling—if we do not get those small-to-medium flows to refill that lake, we are then in the problem that we are in now: We cannot refill them. The Department of Primary Industries [DPI] and DPIWater do not look at long-range forecasts or think about the adverse effects that they are going to put on people in this area by dumping all the water out of the lakes with, maybe, an El Niño system coming through.

The Hon. RICK COLLESS: What discussions have you had with the Murray-Darling Basin Authority in relation to the management of lakes Alexandria and Albert then? That would appear to me to be as big a problem. I agree with you that the management of the lakes out here is vitally important, too. Despite what you say about evaporation, better management of these lakes will save a considerable volume of water from evaporation, up to at least a couple of hundred gigalitres a year, by better managing the lakes here.

Mr HUTTON: But save it for what?

Mr KENNEDY: The evaporation now—I saw all the Geoscience Australia figures on evaporation. The only way that they get significant 200 gigalitres evaporation, which would be big evaporation, is virtually to have no water in the Lake Menindee or Lake Cawndilla. That is how they do it. They save the evaporation by, when the water goes in, draining it as quickly as they can, which is not managing the lakes well. That water, when it does get let go, it can only go one place—down the Murray River and out to sea if it is not used.

They talk about evaporation and the plan is now if we do get a pipeline there is no need to have as much water go into the Menindee Lakes, which means it saves evaporation and which returns water to the Basin. But if there is no water going into the Menindee Lakes, how is it returning anything to the Basin? It is not going down the Murray River. It is just kept for more useful usage. The evaporation, yes it is important, but the things that they have talked about is a weir between Menindee and Cawndilla. That stops both lakes filling at once. You can fill one at a time. Instead of having 600 gigalitres spread over two lakes, you have got it in one lake, at Lake Menindee, which reduces the surface area by half and which saves the evaporation.

The Hon. RICK COLLESS: Indeed.

Mr HUTTON: They are the things we should be doing to save evaporation.

The Hon. RICK COLLESS: I do not have a problem with that at all. My question was in relation to what consultation have you had with the MDBA with respect to the management of lakes Alexandrina and Albert? I think that is a critical point that we need to address.

Mr HUTTON: When we first started the Darling River Action Group there was no plan and there was the Murray-Darling Basin Authority.

The Hon. RICK COLLESS: Can I just stop you there? That is probably quite right, but the agreement between the States meant that the South Australians still had a call on the water from Menindee and Lake Victoria. That has been in existence since the 1960s.

Mr HUTTON: Yes. Can I just say that the South Australian call on water from Menindee Lakes is a daily usage, which ranges from three gigalitres per day in winter and up to 10 gigalitres a day in summer. They have released up to 20 gigalitres a day from the Menindee lakes.

The Hon. RICK COLLESS: You are missing my point. The point of the question is: What have you actually done in relation to discussing the impact of the evaporation losses from Lake Alexandrina when all our freshwater is going down there to be lost? That is the issue we need to address.

Mr HUTTON: Yes.

Mr KENNEDY: I have written submissions myself to the Murray-Darling Basin Authority when it first started up. As I said, it was only through pressure put on the New South Wales Government or the Australian Government about the Menindee Lakes that got it all started in the first place, back in early this century. You are talking about Lake Alexandria and the barrages and things like that. I know that is another thing that farmers and irrigators hate because it goes down there and all they do is sail boats on it and whatever and they think that the barrages should be taken out, and all that; but it is never going to happen. We can forget that. There are too many votes down there. The only place that they can attack is the Menindee Lakes because there are no bloody votes out here. There is not enough of us to fight. That is the trouble. All right, we are a squeaky wheel and we do speak up fairly well, but there is not enough of us, so the Menindee Lakes is open season.

The CHAIR: I am going to call time, gentlemen, please. The Committee has run out of time.

Mr HUTTON: Thank you.

The CHAIR: I said it earlier, but I say again, that we should have put aside an hour and a half for each group because you guys have a lot to say. Thank you very much for your submission.

Mr HUTTON: Thank you.

Mr KENNEDY: Thank you.

The CHAIR: I suggest there will probably be some questions on notice from the Committee. The secretariat will send those to you. If you get questions, could you return your answers within 21 days?

Mr KENNEDY: Yes.

The CHAIR: I will say it again as I said it earlier, we have now put back the time for submissions until January next year because we know that, as we go, this is generating more and more interest. You will see the evidence from the Broken Hill on the website. We would like you to have a look at those. If you have anything else that you want to add to this, please do so. The more information we get, particularly detailed submissions, the better we are able to formulate our recommendations to the Government. Whether the Government accepts them or not is a different thing, but we have to go step by step. Thank you very much for a very detailed submission and thank you for attending today.

Mr KENNEDY: Thank you for being here.

Mr HUTTON: Thank you.

The CHAIR: I now draw these hearings to a close. The Committee will hold a brief deliberative meeting so I ask that the room be cleared.

(The witnesses withdrew)

(The Committee adjourned at 13.55)