

Senate Inquiry into the integrity of the water market in the Murray-Darling Basin

Rural and Regional Affairs and Transport References Committee

September 2017

Thank you for the opportunity to contribute to the Senate Inquiry into the integrity of the water market in the Murray-Darling Basin. I welcome the inquiry and look forward to the handing down of the findings.

I recognise there are a number of investigations underway following the Four Corners story “Pumped” on 24 July 2017. However, as someone affected by the alleged actions of the NSW Government, the NSW Department of Primary Industries, and a small number of irrigators, I speak on behalf of members of communities from across the Murray-Darling Basin who are significantly concerned that the investigations and inquiries have not been given the power or scope of reference which will allow the issues to be fully and thoroughly investigated, and those responsible to be brought to justice.

I own three properties totalling 680,000 acres on the Lower Darling, approximately 50km south of the Menindee Lakes. Tolarno Station sits on the Darling River, and all three properties depend on the Darling for livestock and domestic purposes. The properties have a rich history spanning 160 years, and today run merino sheep, cattle and rangeland goats.

My submission specifically focuses on the impact on Lower Darling communities, and subsequent response by NSW Government, resulting from:

- the use of Commonwealth-owned environmental water for irrigation purposes,
- the allegations of theft and corruption in the management of water resources in the Murray-Darling Basin, and
- the reported breaches within the Murray-Darling Basin, including the Barwon-Darling Water Sharing Plan.

I will also provide commentary on the conduct of the NSW Government regarding the potential undermining of the Murray-Darling Basin Plan.

Background on the region:

The Lower Darling, a 500km stretch of river which includes the Menindee Lakes, is integral to the social, cultural and economic livelihood of the communities of Menindee, Pooncarie, Ellersie and Wentworth, as well as providing critical water to the township of Broken Hill. It is the traditional lands of the Barkindji Nation, who have a continued connection to the river and country.

The Lower Darling is a profitable agricultural community with predominantly pastoral production, including sheep, cattle and rangeland goats. The area has a long and rich history in this industry, dating back to the 1820s. The industry requires a healthy, sustainable river system for economic viability, with properties dependent on pumping small quantities of water for stock and domestic purposes, either directly from the river or from groundwater replenished by the river.

It has only been in the last 15 years that the viability of the Lower Darling and Menindee Lakes has been in question. As shown in Table 1 (at the end of the document), dating back to 1940, there were only two occasions when the river had ceased to flow prior to 2002. Since 2002, there have been 15 cease to flow events, which have had a significant impact on the economic, social, psychological and physical health of the communities.

The Lower Darling is also some of the most valuable habitat in the Southern Murray-Darling Basin. The Menindee Lakes are a vital spawning and recruitment site for native fish including the Silver Perch, Golden Perch and the Murray Cod, with virtually all of these species having origin from the Menindee Lakes. The ecological importance of this stretch of river for the whole Murray-Darling Basin is only now just being understood by scientists. The Menindee Lakes are also an important site for wildlife, particularly waterbirds, being the home of a number of threatened and endangered species local and migratory birds.

The impact on Lower Darling communities:

In 2013/2014 NSW DPI Water made the decision to use only water stored in Menindee Lakes to fulfil requirements for flows to SA. At the time, there were concerns made by both landowners and bureaucrats alike across the Murray-Darling Basin about the pressure this decision would place on the Menindee Lakes. These calls were ignored by NSW DPI Water.

As a direct result of minimal inflows into the Menindee Lakes and Lower Darling and excessive released from the Menindee Lakes, in 2015-2016 the Lower Darling saw an unprecedented environmental disaster.

In 2015-2016, the Lower Darling at Tolarno Station was completely dry for a period of 8 months (see Figure 2). The dry river period in 2015-2016 was longer and had greater economic, social and health impacts than any dry river period during the 2000s drought.

During this period, there were significant and long-lasting social and economic impacts to the community. On my property alone, I experienced significant loss of land, stock and production totalling approximately \$3.6 million during this period alone. Over 200,000 acres of land was lost to production due to loss of property borders (the river is a natural boundary between properties) and no potable water for stock or domestic use. The water quality in the remaining water hole was so poor, the water became toxic and was unsafe for use. As the water became toxic and we turned to a unreliable underground bore supply, approximately 2000 sheep perished. At the time we were close to lambing our sheep, and we experienced a lambing percentage of 30% due to poor water quality, as compared to an average of 70-80%. We also witnessed the death of thousands of native animals also dependent on the supply of water on our property. We had to depend on rainwater for domestic use, and as showers use river water, we were unable to bathe on the property, and drove the 200km into Wentworth to have a shower once a fortnight.

The impact on the community was significant. Agricultural businesses across the region experienced similar issues with toxic water supplies, loss of property boundaries, and death of stock. The cost of new bores and additional infrastructure was substantial, and no government support was received. The township of Pooncarie (population approximately 100) relied on trucked water for at least 3 months. At least 3 children developed staphylococcal infection which is highly resistant to antibiotics caused by exposure to the toxic river water. In the township of Menindee, people who depended on river water for domestic use were forced to cart water at their own cost, and did not receive any government support.

In the lead-up to the dry river event of 2015-2016, the catchment had received average rainfalls over the preceding 12 months (see figure 1), and in our opinion the event was a direct result of over-diversion upstream in the Northern Basin, specifically:

- mismanagement of water resources in the Murray-Darling Basin by NSW Government and the Murray-Darling Basin Authority.
- significant changes made to the Barwon-Darling Water Sharing Plan by NSW Government in 2011.
- the use of Commonwealth-owned environmental water for irrigation purposes.

In March/April 2016, DPI Water senior bureaucrats, including Mr Hanlon, visited the affected community of Pooncarie. This was the first and final visit to affected communities during the extended period the Lower Darling was dry. At this meeting NSW DPI Water were asked that:

- all water below Bourke currently available should be immediately prioritised for the purpose of returning water to the Lower Darling River below Menindee Lakes.
- An embargo be placed on irrigation extractions, to return water to the Menindee Lakes and the Lower Darling for the environment, and to provide safe access to town and stock and domestic water licences (higher priority than irrigation licences).
- immediate grants be made available to landholders no longer able to access water for human, domestic and stock purposes, to support infrastructure costs.
- there be full environmental impact study undertaken prior to any pumping of shallow bores at Menindee Lakes for the purpose of water supply to Broken Hill, to understand the long-term consequences.

There was no action taken by NSW DPI Water on any of these points. We were told by Mr Hanlon that, categorically, there would be no embargoes placed to support return of flows to the Lower Darling. Mr Hanlon committed to return to the affected communities and see firsthand the impact in the following 2 months. Mr Hanlon did not return a visit, or make any response to repeated attempts to contact him regarding the matter.

Despite repeated calls for an embargo, no embargo was placed on flows in the Barwon-Darling to return flows to the Lower Darling. It is believed that if an embargo had been in place, the Lower Darling would have seen flows return in early 2016. Mr Hanlon acknowledged in Pooncarie in March/April 2016 that small flows had not been embargoed, and that if they had been it was likely that there would be water in the Lower Darling.

Flows returned to the Lower Darling in August 2016, a result of unseasonal floods in Queensland and northern NSW. If this unseasonal event had not occurred, it is uncertain when water would have returned to the Lower Darling, if at all.

Conduct of the NSW Government regarding the potential undermining of the Murray-Darling Basin Plan:

Proposed structural and operational changes to the Menindee Lakes and construction of a pipeline from the River Murray to Broken Hill

The NSW Government have proposed significant structural and operational changes to the Menindee Lakes. Lower Darling communities believe these changes will have a significant negative impact on the environmental outcomes for the Lower Darling and Menindee Lakes, and will have significant ongoing impacts throughout the Basin, given that it is a unique native fish spawning and recruitment site. It is also believed that there will be significant detrimental impacts on the economic, social, psychological and physical health for communities.

There are associated actions being undertaken by NSW Government which are separate but independent to the Murray Darling Basin Plan, specifically the construction of a \$500million pipeline from the Murray River to Broken Hill.

The structural and operational changes, and the construction of the pipeline, are opposed by the communities of the lower Barwon-Darling, Lower Darling and Broken Hill. There is clear evidence that key agricultural groups upstream of Menindee Lakes have lobbied for these structural changes:

Another great example of united achievement was having the NSW Government commit to securing an alternative water supply for Broken Hill.

This result was driven by a joint effort from BRFF [Border Rivers Food and Fibre], GVIA [Gwydir Valley Irrigators Association], Namoi Water, Barwon-Darling Water, the Cotton Grower Associations and Cotton Australia.¹

NSW Government have failed to conduct meaningful consultation. A biased survey was conducted by Kevin Humphries MP, and the results were not properly released. The only other attempt at consultation were meetings held by MDBA and NSW DPI Water at Pooncarie (29 March 2017) and Broken Hill (30 March 2017). These were closed meetings called at short notice, with no formal invitation or information. Discussion was focused on previous management practices of Menindee Lakes, and there was no discussion on the proposed changes. Senior bureaucrats from MDBA and NSW DPI Water were present, including Mr Hanlon. Attendees were later informed that this was a consultation meeting on the Menindee Lakes structural and operational reforms. It was never made clear prior to or at the meeting that the purpose of the meetings was regarding the proposed reforms. There was little information provided on the reforms by NSW DPI Water at the meeting. A 6-page information sheet was provided. This is the only information currently available on the structural changes, despite the fact that NSW Government have put forward the structural and operational changes project to the MDBA. This information does not detail the environmental, economic or social impact on the region, or provide any details of the modelling or assumptions that this is based on.

On 1 May 2017, I had a personal meeting with Minister Blair in Sydney. I sought information on the following:

- Expected levels of Menindee Lakes, May 2017 – December 2019, including expected inflows and releases, modelling of levels, and management approach to be adopted by NSW DPI Water.
- NSW DPI Water's management approach to inflows into catchment of upper Darling and tributaries.
- Proposed changes to management of Menindee Lakes and Lower Darling River, including key dates, details of plans, and further consultation opportunities.

To date, I have not being provided any clear information on the above points, other than that there would be further consultation undertaken with communities. No such consultation has been conducted by NSW Government.

Closing comments:

The Lower Darling communities have real and justified concerns that the man-made disaster which occurred on the Lower Darling and Menindee Lakes will be repeated in the next 12-18 months. The Murray-Darling Basin Authority have reduced the capacity of the Menindee Lakes to the point where crisis management is being implemented. NSW DPI Water have not embargoed flows to return water to the Menindee Lakes or Lower Darling, and based on flows over the last 5 years, the Lower Darling will have water by mid-late 2018. This is directly associated with:

- the use of Commonwealth-owned environmental water for irrigation purposes,
- the allegations of theft and corruption in the management of water resources upstream of Menindee Lakes, and
- the significant changes made to the Barwon-Darling Water Sharing Plan in 2011.

NSW Government have yet to reverse the key decisions which have resulted in reduced flows to the Menindee Lakes and Lower Darling, including the 2011 amendments to the

¹ Cotton Australia, 2017. Cotton Australia Annual Report 2016-17. Cotton Australia, Mascot NSW.
cottonaustralia.com.au/uploads/publications/Cotton_Australia_Annual_Report_2016-17_WEB_final.pdf

Barwon-Darling Water Sharing Plan, following the allegations have been made in July 2017. Lower Darling communities believe that the response by the Commonwealth and NSW Governments to the allegations made on and since the “Pumped” episode was aired have been slow and inadequate given their seriousness. The NSW Government have to date refused to cease planning and work on the structural and operational changes to the Menindee Lakes and the construction of the pipeline from the River Murray to Broken Hill, until proper investigations have occurred into the conduct of NSW DPI Water, adequate information released and proper consultation has been completed with communities. This is despite that some of the allegations made against NSW Government and NSW DPI Water specifically relate to these two projects.

I hope that the Senate Inquiry will include in their scope to following matters:

1. The allegations which have been made subsequent of the “Pumped” episode, of misconduct and in-action by:
 - the MDBA,
 - Water NSW,
 - NSW DPI Water, and
 - the NSW Government, including the actions of current and previous Ministers.
2. The conduct of MDBA in responding to concerns of over-extraction.
3. The appropriateness and timeliness of response by the Commonwealth Government in regard to the allegations made on and since the “Pumped” episode.
4. The appropriateness of the MDBA to conduct the Basin-wide Compliance Review.

The 2015-2016 event did demonstrate the importance of sharing water between all users in a sustainable way, not at the significant detriment to one or more communities. To this extent, the NSW Government and the Murray-Darling Basin Authority have failed the Lower Darling communities to date. The community seeks appropriate, sustainable long-term management of the Lower Darling, and recognise that both the NSW Government and the Murray-Darling Basin Authority are key in achieving this.

Robert McBride

Owner - Tolarno, Peppora and Wyoming Stations

Table 1: Cease to flow events on the Lower Darling at Burtundy

(~180km south of Menindee Lakes)

Year	Month	Duration (days)
1946	September – November	89
1947	January	19
2002	August – September	19
	September – October	19
	October – November	26
	December	10
2004	January – February	48
2005	November	10
2006	September	10
	September – November	42
2007	July – September	67
2007-2008	October – January	103
2009	July	9
2009	October – November	14
2015	February	3
	March	21
2015-2016	April – August	~500

Figure 1: Murray-Darling Basin Rainfall Decile, 1 April 2015 – 31 March 2016

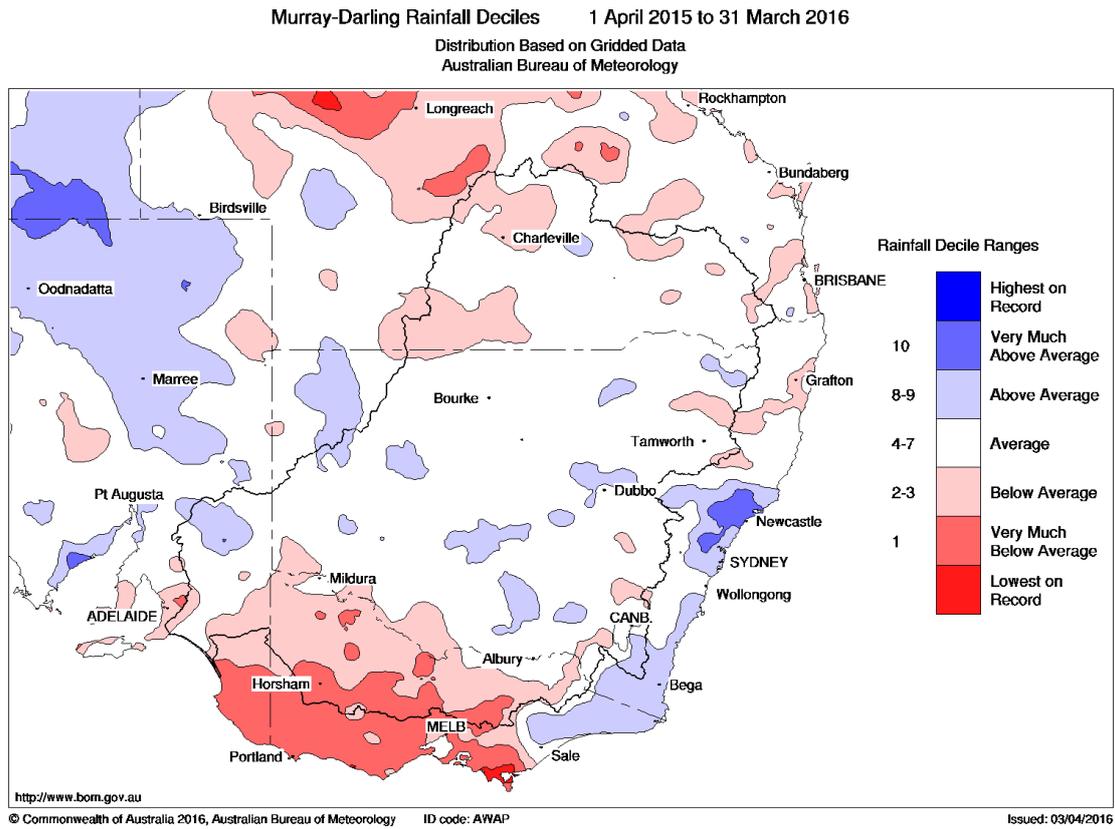


Figure 2: Photographs of the Lower Darling at Tolarno Station, 2016

