



27 February 2019

Senator Jonathan Duniam
Chair
Senate Standing Committee on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Senator Duniam,

***Letter of Support to the National Farmers' Federation submission to the Water Amendment
(Purchase Limit Repeal) Bill 2019***

The NSW Farmers' Association (NSW Farmers) welcomes the opportunity to make comment on the Senate Environment and Communications Legislation Committee inquiry into the *Water Amendment (Purchase Limit Repeal) Bill 2019*.

NSW Farmers is Australia's largest state farming organisation, representing the majority of commercial farm businesses in NSW, ranging from broad acre, meat, dairy, wool and grain producers, to more specialised producers in the horticulture, egg, pork, oyster and goat industries.

NSW Farmers strongly opposes the proposed removal of the surface water purchase limit due to the potential to cause further adverse socio-economic impacts and the uncertainty further changes to the Plan will create for Basin communities. Focus should be placed upon allowing the current Plan and the Productivity Commission's recommendations to be progressed.

NSW Farmers supported the 2015 amendment to the *Water Act 2007* subsection 85C(1), which placed a 1,500 gigalitre (GL) limit on water purchased under water purchase contracts. This amendment was a great example of how good environmental outcomes can be achieved, while also providing protection to rural and regional communities. It balances the critical need for a triple-bottom line approach to be taken with respect to water in the Murray Darling Basin.

The proposal to repeal the purchase limit within the *Water Act 2007* threatens to undermine the viability of many regional communities and cause further social and economic impacts to Basin towns and regions.

Since the beginning of the Murray Darling Basin Plan (the Plan) in 2012 significant research has been conducted into the impacts of reduced water availability and water reform on Basin communities. In 2016 and 2017 the Murray Darling Basin Authority (MDBA) released community profiles for the Northern and Southern Basin and in May 2018 the MDBA released further analysis in to the socio-economic impacts of the Plan as part of the 2017 Basin Plan Evaluation. These profiles analysed how the social and economic conditions of these communities have changed over the implementation of the Plan. Overall, the profiles showed that over the course of the implementation of the Plan the socio-

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economic resilience of communities has decreased, with communities that depend upon irrigation-based industries the most affected. Evidence also found that flow-on impacts of water recovery are affecting communities with no irrigation production.

New South Wales has also contributed the majority of water recovery for the environment. This aligns with evidence of decreasing social and economic indicators within New South Wales Basin communities. The proposal to remove the limitation on water purchase contracts has the potential to cause further adverse social and economic impacts on communities and regions within the Basin as well as reducing agricultural production.

Focus should be placed on continuing to implement the Plan with water infrastructure and efficiency measures and voluntary buybacks within the limit appropriately balanced. Currently, the limit on water purchases has not been reached and the Plan is halfway through its implementation; removing the limit is premature and would create further uncertainty for Basin communities.

The supporters of the Bill argue that the limit imposes a barrier to further water recovery if the 'supply' and 'efficiency' measures fail to deliver the intended levels of water recovery. These measures are mechanisms for water recovery and effort to realise water recovery through these projects must be prioritised. Further water purchases should not be considered because of the significant negative socio-economic impacts that have already occurred, and the potential for further adverse impacts on Basin communities.

The Plan is in critical stages of implementation, Bipartisan support for the Plan is as important as ever to provide certainty for Basin communities. The Productivity Commission's recently-released five-yearly review of the implementation of the Plan provided many recommendations which must be focused on to progress implementation of the Plan. NSW Farmers strongly opposes the proposed amendment to the *Water Act 2007* to remove the legislated limit on surface water purchases.

As a member of the NFF, NSW Farmers also endorses the NFF's submission to the inquiry.

Yours sincerely

Bronwyn Petrie
Conservation and Resource Management Committee Chair