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19 November 2010

The Committee Secretary  
House of Representatives Standing  
Committee of Regional Australia  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

**SUBMISSION TO MURRAY - DARLING BASIN AUTHORITY – REGARDING THE GUIDE TO THE PROPOSED BASIN PLAN (MACQUARIE – CASTLEREAGH REGION) – FROM MID-WESTERN REGIONAL COUNCIL AND CUDEGONG VALLEY WATER USERS GROUP.**

Mid-Western Regional Council (MWRC) and the Cudgegong Valley Water Users Group together (the Joint Group) represent a significant portion of the community living within the Macquarie – Castlereagh Region as identified within the Guide to the proposed Basin Plan (the Plan).

Following a joint meeting of nominated representatives of these two organisations and the Mid-Western Regional Council meeting of 17 November 2010 it was resolved to make a submission to the Murray-Darling Basin Authority with respect to the Guide to the proposed Basin Plan.

This joint submission considers that generally the Plan does not adequately assess the economic and social factors that may have a significant adverse impact on rural communities as a result of the proposed changes to water allocations within the Murray-Darling Basin.

The following matters are of particular concern to the Mid-Western Local Government Area and the Cudgegong River and Catchment with this regional area falling within the Macquarie-Castlereagh Region:-

The Joint Group consider that any Water Sharing Plans that are already in place should have been taken into account as part of the investigations and preparation of the Plan. Water Sharing Plans that have been Gazetted usually already contain protection protocols, as part of their provisions that provide for contributions to environmental flows. If these existing provisions are not taken into account then additional contributions as required by the Plan would be considered 'double dipping'. This practise is generally considered to be contrary to a fair and equitable sharing of natural resources particularly to those water users who are party to these Water Sharing Plans.

In the particular case of the Cudgegong Valley Water Users Group it is considered that the community has already gone through a great deal of sacrifice during the mid-to late 1990's to reach an agreement on water use from the regulated Cudgegong Catchment that recognised the paucity of the water resource. The community (not just irrigators), in consultation with the then Department of Land & Water, came to an agreement that saw the gazettal of a Water Sharing Plan in 2002 by the New South Wales State Government that provided the following:-

- Environmental Flows of 10,000 megalitres

- General Security allocation of 23,000 megalitres (the average allocation over the last 4 years has been much less than this at less than 10,000 megalitres) and High Security allocation of 6,000 megalitres
- If the Windamere Dam is below 30% Environmental Flows are suspended

However, these provisions are further constrained by:

- A water storage (Windamere Dam) that is small with a very small catchment making the storage very uncertain – even with all of the good general rains within the region over the past year, the dam is still under 30% and has only been full once in 26 years.

Due to the recognition by the Community across the board of this rare resource, significant water efficiencies have been gradually implemented to achieve the sustainable use of the water resource including the capping of water use. Best practice measures are being practised broadly across the farming community with the implementation of 'state of the art' irrigation systems such as sub-surface moisture monitoring that directs the levels of irrigation required, sub-surface low pressure irrigation to lucerne crops replacing high pressure over-head sprinklers and drip irrigation to grape, sweet cheery and olive crops. There have been similar changes in how water is managed in urban areas in an effort to reach sustainable water usage rates.

The actual use of water as part of these ongoing efficiencies has generally been in the order of 5,000 megalitres per annum, a figure which includes all users (High / General and MWRC). However, the Joint Group considers that those who are already managing their scarce water resource carefully should not be penalised further by any additional reductions in allocations as proposed by the Plan and furthermore that allocations should be able to be accumulated for future potential use.

The reduction of allocations (by reducing licences) is considered to be the easy option. Whilst it is agreed that greater flows need to be allocated for the environment, this should be achieved by a combination of measures such as financial incentives to water users in order to implement best practice water use across the whole Basin. This has already been and continues to be rolled out in the Mid-Western Region and has proved to be a most effective way to improve water use efficiencies. This, in combination with much needed improvements to capital infrastructure, such as the piping of water channels to eliminate loss of water by evaporation and leaky channels, within the Basin would substantially reduce water losses.

Furthermore, the current pricing policy which is based on a Statutory Minimum Charge is not considered an inappropriate measure to reduce demand of water based on price. Minimum charges do not promote wise use of water as users will use the water up to the level of the limit even if conservation measures could be implemented to reduce the use. A future pricing structure should be based on user pays principle that would encourage wise water usage rather than the current system which penalises good management on the basis of 'use it or lose'. For example a local irrigation property is in the process of being passed onto younger members of the family who will after undertaking the replacement of irrigation equipment use up to the 1000 megalitres entitlement which attracts the Statutory Minimum Charge rather than the 80 megalitres that the farm has been consistently operating at because there is a concern that the allocation will be significantly reduced if the minimum entitlement is not fully use.

The Joint Group considers that the Murray-Darling Basin Authority should acknowledge the constraints of our locality with its very poor catchment and storage and take into account the history of water management in the region and determine that there should be a 0% reduction in licences for the Macquarie – Castlereagh Region. This is further supported by the fact that it is acknowledged that the Macquarie has already reached or surpassed its water saving targets of 104 ggalitres.

There are also concerns about how users of unregulated rivers and streams will be treated under the Plan. These waterways generally do not have Water Sharing Plans and therefore any compensation that may have applied under a Water Sharing Plan is not likely to be recognised.

Therefore, these water users may miss out on any compensation as there are no obligations under the Basin Plan to recognise these users.

The Joint Group considers that the consultation period for comment on the Basin Plan should be extended, as a matter of priority, to allow for the development, consultation and adoption of Water Sharing Plans for all unregulated rivers and streams in order that all water users in the Murray-Darling Basin are then treated equitably and fairly.

The Joint Group considers that additional storage dams should not be ruled out as a part of the process of regulating flows and should be seen as positive rather than negative elements. To this end another dam on the Macquarie River above Burrendong would assist with the allocations and provide for 'environmental flows' which would take the pressure off the Cudgegong River and Windamere Dam.

The Joint Group considers that the water storage capacity created by these additional dams would represent a small percentage of the catchment of the whole Murray-Darling Basin but would provide a significant benefit socially and economically to the local communities in those areas.

Another concern with the Plan is that the guidelines are not clear with regards to future water trading rules and regulations and how environmental water will be dealt with as part of the trading scheme.

In this regard the Joint Group has considerable concerns with the proposed Cobbora Coal Mine. The information available regarding water and this proposal indicates that 2 gigalitres will be re-allocated from the lower Macquarie Catchment, below Warren to an up-stream user of the catchment located between Goolma and Gulgong at Two Mile Flat. This is 'leap frogging' of water upstream and is considered contrary to best practice in the management of natural resources, including water resources. Should a licence for 2 gigalitres be issued on the above basis then the water will be extracted 100% from the Cudgegong River, placing additional strain on the system where as it is currently sourced, primarily from the Macquarie with the Cudgegong system adding very little, particularly as the allocation will be so far downstream of the extraction.

The Joint Group is strongly opposed to the issuing of a licence for this mining activity in the absence of a Water Sharing Agreement as it has the potential to halve already limited allocations in the area. This opposition is on the basis that the current drought sequence appears to be drier than previous drought sequences, there have been significant difficulties in the past with supporting water from the river to service the locality and there would be significant transmission losses over the distance of the stream.

In conclusion the Joint Group considers that the Plan should be looking to future use rather than current use and in this regard the Mid-Western Region due to its proximity to Sydney is likely to have significant increases on demand for water rather than reductions. This area offers high value agricultural land suitable for horticulture and is well placed to become the food bowl for Sydney. The Joint Group considers it inappropriate to sign up to a Plan that will jeopardize the sustainable feeding of the largest city and metropolitan population in Australia.

Signed by Acting General Manager – Brad Cam  
on behalf of Mid-Western Regional Council

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Signed by Trevor Crosby  
on behalf of Cudgegong Valley Water Users Group