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AND TRANSPORT

Reference: Management of the Murray-Darling Basin system

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**SENATE STANDING COMMITTEE ON
RURAL AND REGIONAL AFFAIRS AND TRANSPORT**

Monday, 16 March 2009

Members: Senator Sterle (*Chair*), Senator Milne (*Deputy Chair*), Senators Farrell, Heffernan, Hutchins, McGauran, Nash and O'Brien

Substitute members: Senator Siewert for Senator Milne

Participating members: Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Feeney, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Humphries, Hurley, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McLucas, Marshall, Mason, Minchin, Moore, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Stephens, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Colbeck, Farrell, Fisher, Heffernan, O'Brien, Siewert, Sterle and Xenophon

Terms of reference for the inquiry:

To inquire into and report on:

The implications for the long-term sustainable management of the Murray Darling Basin system for inquiry and report by 12 May 2009, with particular reference to:

- a. the adequacy of current whole-of-basin governance arrangements under the Intergovernmental Agreement;
- b. the adequacy of current arrangements in relation to the implementation of the Basin Plan and water sharing arrangements;
- c. long-term prospects for the management of Ramsar wetlands including the supply of adequate environmental flows;
- d. the risks to the basin posed by unregulated water interception activities and water theft;
- e. the ability of the Commonwealth to bind state and territory governments to meet their obligations under the National Water Initiative;
- f. the adequacy of existing state and territory water and natural resource management legislation and enforcement arrangements; and
- g. the impacts of climate change on the likely future availability of water.

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Committee met at 4.47 pm

HATTON, Dr Tom, Flagship Director, Water for a Healthy Country Flagship, Commonwealth Scientific and Industrial Research Organisation

YOUNG, Dr Bill, Theme Leader, Healthy Water Ecosystems Theme, Water for a Healthy Country Flagship, and Manager, Murray-Darling Basin Sustainable Yields Project, Commonwealth Scientific and Industrial Research Organisation

ACTING CHAIR (Senator O'Brien)—I declare open this public hearing of the Senate Standing Committee on Rural and Regional Affairs and Transport. The committee is hearing evidence on the committee's inquiry into long-term sustainable management of the Murray-Darling Basin system. I welcome you all here today. This is a public hearing and a *Hansard* transcript of the proceedings is being made. Before the committee starts taking evidence I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The committee prefers all evidence to be given in public, but under the Senate's resolutions witnesses have the right to request to be heard in private session. It is important that witnesses give the committee notice if they intend to ask to give evidence in camera. If a witness objects to answering a question the witness should state the ground upon which the objection is taken, and the committee will determine whether it will insist on an answer having regard to the ground which is claimed. If the committee determines to insist on an answer, a witness may request that the answer be given in camera. Such a request may, of course, also be made at any other time.

Finally, on behalf of the committee, I would like to thank all of those who have made submissions and sent representatives here today for their cooperation in this inquiry. I welcome Dr Tom Hatton and Dr Bill Young, of the CSIRO. The CSIRO has lodged submission No. 2 with the committee. Do you wish to make any amendments or alterations to that submission?

Dr Hatton—No.

ACTING CHAIR—Do you wish to make an opening statement before the committee asks questions?

Dr Hatton—The only thing we would like to note is that, since the last time we appeared, the final report for the Murray-Darling Basin Sustainable Yields Assessment has been released publicly, which concludes our work under that arrangement.

Senator HEFFERNAN—We went to an excellent briefing this morning where you got a mention. This states that there will be an 11 per cent decline across the Murray-Darling by 2030, which equates to a reduction of 2,500 gigs a year. However, climate change by 2030 could reduce water availability by as much as 34 per cent, or around 7,900 gigs, and even lead to an 11 per cent increase in average water serviceability. I suppose there is no need to look at the bright side, because that will be easy to plan. Looking at the dark side, would you like to explain to the committee just what are the implications from the top end of the Murray-Darling to the bottom

end? My understanding is that there is a chance of a bigger decline in the southern parts of the Murray-Darling Basin as compared to the northern parts. Can you tell us what the implications are of losing 2,500 gigs out of the system, in terms of a disproportionate return, to the fate of the river and so on?

Dr Hatton—I am honestly not sure where to start. The 11 per cent decline does not sound like a large number to people that are not involved in the specific flow requirements for security of entitlements or natural assets, but in fact it presents an ongoing major challenge. It is important to appreciate that is the mean annual flow at 2030 and that there will be droughts within that which will look more like what we have had in the last 10 years. They are fairly profound impacts. If there are some specific questions on impacts, I am happy to address them.

Senator HEFFERNAN—What if we were to lose, as you say, a mean 2,500 gigs? What does the weather that we have had for the last three years in runoff represent in terms of lost gigs? Instead of 2,500 what would that figure be?

Dr Young—Is that for the last three years?

Senator HEFFERNAN—Yes.

Dr Young—I do not have the numbers. What we have presented here are numbers around the 10-year period, 1995 to 2006.

Senator HEFFERNAN—The figures went up to about 2000.

Dr Hatton—It went up to 2006 in our report.

Dr Young—That was the point in time when the terms of reference were handed down to us. Time has moved on a little bit.

Senator HEFFERNAN—It has turned around pretty dramatically since then. I was using a 3,500 gig figure right across the basin, which includes the forest interceptions, regrowth of the Snowy and so on. No-one has ever blown my head off for using it.

Dr Young—The 2,500 has separated out those other impacts from the climate impact. The 3,500 might still be conditional and our ability to quantify them is better, with less uncertainty. We do not have that huge range like you described, from 11 per cent more to 34 per cent less. On the other hand, there is a lot more direct policy control that can be put around those statistics.

Senator HEFFERNAN—In terms of the inquiry and planning for the future, we have vaguely to look at science in part of the plan, and look at the top side as well as the down side, so it could well be that 3,500 gigs goes missing. My understanding from the Snowy fires and the north-eastern Victorian fires three or four years ago was that we were going to lose somewhere between 1,000 gross, which would equate to 600 to 700 net gicalitres over the eight or nine high-growth years of the regrowth, but if we lose somewhere between 2,500 and 3,500 gigs out of the system how much of that disproportionately is the south? Can you split it?

Dr Hatton—On long-term averages, 80 per cent of the water arises in the south and is used in the south. It is a heavily weighted southern wet system.

Senator HEFFERNAN—What it be reasonable to say—as I have sometimes said and have not been challenged; I thought I would test this out—that if the weather we have had in the last three or four years becomes not quite the mean of the future and if we implement the water savings that we are planning to do with the \$10 million, and given that some years will be wetter than others, in your view what would be the future outlook for general purpose water in most river systems in the south?

Dr Hatton—I will try to answer the question, but it is very difficult. I do not know how that \$10 billion or \$12 billion would be invested. As you probably know, where you buy the licenses makes all the difference, if you were going to spend it that way. It depends on how much you pay for them and how far that \$10 billion or \$12 billion goes. It is very difficult to respond to that.

Dr Young—I have a question of clarification first. What do you mean by ‘general purpose use’?

Senator HEFFERNAN—Low-security water.

Dr Hatton—General security?

Senator HEFFERNAN—Yes. I will just give a bit of colour to this. Say you split it up half-and-half to savings and buyback. If the science is right and if the Goulburn, for instance, this year gets down to 500 gigs or under from the 2,700 that it might have been a few years ago, then we would face a situation, because of the freight component in the river systems—and I do not think the fish are going to grow legs—that we could well lose, except in the event of a one-off wet year, most of the irrigation opportunity from low-security water.

Dr Hatton—In our report we detail for each of the regions the average allocation, which in some places is called general security licenses. That is detailed in our report. If you have any specific questions we could come back to the committee on that. It was worth noting that under the median climate future—the minus 11 per cent—that the high-security town water supply allocations are met in almost every year under the normal climate variability we have. Is that not right, Dr Young?

Dr Young—That is correct.

Senator HEFFERNAN—Which in turn would not say much for the low-security irrigation.

Dr Hatton—It says nothing about that.

Dr Young—There are reliability numbers presented here for each water product right across the basin and how they change under the different climate scenarios. The umbrella that it is done under recognises that all of that is looking at future climate if we do not change the water-sharing arrangements.

Dr Hatton—That is right.

Dr Young—We are going into a process now of looking at how we change them, because we do not like the way the system looks. These are all done under current sharing arrangements. It is hard to summarise that information because even general security has a different reliability profile in every river system.

Senator HEFFERNAN—It certainly does.

Dr Young—One of the paragraphs on page 28 points out:

Reductions in water availability reduce the reliability of surface water supply. The greatest reductions in reliability would occur in regions where the relative level of surface water use is already high and where climate change is expected to have the largest impact on water availability, and for water products that are already comparatively less reliable.

The first two of those are certainly met in some of the southern regions, where the level of use is already quite high and climate change impact is going to be largest. With respect to the least reliability, that will be the off-allocation and unregulated water rather than the general security. How that changes under future management arrangements, particularly if you take some of those entitlements out of the system, is yet to be quantified.

Senator HEFFERNAN—I think it was a serious mistake some years ago to agree to allowing the supplementary water or the off-allocation water that started in Victoria to become a financial instrument or a licence rather than a right to turn your pumps on now and turn them off in 36 hours. That, of course, has flowed on into New South Wales. The other day we saw that that supplementary water licence at Tandow was sold, which was going to deliver 28 gigs net to the Murray. I think they calculated that on the value of the licence. Do you have any comment to make on what the future would look like with those supplementary or off-allocation water licences licensed in the system and what it would have been like were they not in the system in terms of long-term water availability?

Dr Hatton—We have not done that analysis.

Senator HEFFERNAN—Dr Hatton, I would then take you to the study you did on the Condamine-Balonne.

Senator SIEWERT—We knew you would get there.

Senator HEFFERNAN—I could argue all of those rivers up there. I notice that everyone in the present context of the Queensland state election is silent on water. They are all, in my view, gutless. I take you to the resource operating plan for the Lower Balonne, which you have studied, and the potential issuing of a licence for 469,000 megalitres, which in a commercial-in-confidence arrangement includes the chairman of the independent process as a beneficiary on the one licence. That beneficiary, of course, has no capacity to store water or to intercept water but somehow mysteriously finds a way on to their licence. What would be the impact of issuing those licences in the long term against the study you have done about the future availability of water in the Condamine-Balonne?

Dr Hatton—Was that licence taken into account in our study?

Dr Young—We would have modelled the latest arrangements under the water resource plan, and the model that the department developed to underpin that plan. All the models we used were largely from either state governments or at the time the Murray-Darling Basin Commission.

Senator HEFFERNAN—I can clarify that to assist you. This obviously is in draft form, so you would not have included that?

Dr Young—I believe there are some aspects of the ROP—and they probably include the ones you are referring to—that were not represented in the model that was used.

Senator HEFFERNAN—Does that not then make it fundamentally flawed?

Dr Young—Policy is obviously a moving thing. There are a lot of aspects of policy that have changed since we undertook these analyses at a point in time.

Senator HEFFERNAN—I just want to talk about the stupidity of governments of all persuasions for most of the time that we have been at water. These plans for these licences have been known long before you were authorised to do your study. Do you agree with that? The resource operating plan was in a draft form. It was originally going to be A and B licences.

Dr Hatton—Yes, they were in draft form just before our study was announced.

Senator HEFFERNAN—They were in draft form and then they went from A and B licences, which would have been seriously outrageous to something equally outrageous, in terms of a proposal in draft form when you were contracted to do the study to absolutely allow licences to be issued on the capacity of the earthworks to store and intercept water, and yet it was not included in your study.

Dr Hatton—We would have to confirm whether it was in or out. If it was in the draft plan at the time we engaged with the Queensland state department, as partners in the study, it would be included in our flow modelling. If it has emerged since then it will not be. We can take that on advice and get back to you.

Senator HEFFERNAN—Yes, that would be very good. It is still in draft form. They are all gutless up there at the present time in the election, because there are serious implications for everyone in this.

Dr Young—The other thing is that the primary focus of this study was to look at the potential implications of climate change, and we took it at a policy point in time. That provided some of the capacity now to say, ‘Given what we know about that, how should policy change in the future?’ All of these things and many significant changes—

Senator HEFFERNAN—You will not be surprised that Mr Scott Spencer and all those people up in Queensland are not interested in that, because they want to kick off this draft plan, which includes several licences. One of them is the biggest water licence ever issued in

Australia, and that is against the background of no complete science on what would be the impact of that licence. Would you agree with that?

Dr Hatton—I could not comment on that. No, I would not agree it is on the basis of no science.

Senator HEFFERNAN—No, complete science.

Dr Hatton—That is easy to agree with, but in the sense that our work is incomplete as well. There are a lot of unknowns.

Senator HEFFERNAN—People jump up and say that the science is done, but it is not done. What you were asked to do really was not to study environmental impacts and so on of the river. You were asked just to look at future flows.

Dr Hatton—That is right.

Senator HEFFERNAN—That is a very incomplete project, but you have completed the incomplete part of the project.

Dr Hatton—I would agree that, if you wanted the fullest breadth of information to inform a new sustainable diversion limit or to inform a local jurisdictional decision like that, you would want to know more than what was in our terms of reference.

Senator HEFFERNAN—Would it be fair to say that in your eminent scientific view any proposition to issue new licences to that extent on that system would be ill-advised or premature given the lack of complete science?

Dr Hatton—I cannot make that statement. That is a statement against—

Senator HEFFERNAN—I do not want to get you the sack.

CHAIR—Senator Siewert.

Senator SIEWERT—You would have heard the comments from the Wentworth Group and also Professor Young, reiterating some of the comments at our hearing on Friday, which were around the need to speed up buybacks. In fact, Senator Xenophon got passed through the chamber agreement from the government to bring forward buyback money. Professor Young goes further. He does not put it as a triage approach; he says we need to go through the whole of the basin and look at for which areas we need to say, 'We need to cut those areas off or allow differing watering regimes.' Have you looked at those comments and do you have a response to those comments?

Dr Hatton—I have not looked at some comments, but I have heard comments equivalent to those. This is not a science answer, just my professional and personal view. With the amounts of money involved and with the analytical tools that are available to look at not just water flow scenarios but the ecological response of the key environmental assets in the basin and the economic implications of any scenario that would change how much water is left in the river, as

a taxpayer I would be more comfortable if those analyses were brought to bear and to have an evidence based strategy for investing that money as opposed to the extreme alternative, which is purely opportunistic. That is my view.

Senator SIEWERT—The department confirmed on Friday that we basically have an opportunistic approach. When someone puts in a tender they evaluate it, but they evaluate it in a context of cost—those sorts of things. Unless a region has put up an integrated approach, they do not evaluate it in terms of a regional approach. Again, I think I might be asking for your opinion, but it seems to me that would be inconsistent with what you have just said. I think, from what you were saying, we need to be taking a more planned approach to the way we purchase water. I am not trying to put words in your mouth.

Dr Hatton—I am not making a contrast with any government policy. I am just saying that I would like a planned approach. That would be something that is within our means to do as a technical community, and that kind of information could be provided. The one caveat that has to be put on a statement like that is if there is an emergency contingency context for a decision, then obviously we do not have time for that. In terms of the longer term decadal strategy for the basin, those analyses are doable and we have the capacity to be strategic.

Senator SIEWERT—I wanted to pursue that. How do we do that? The Wentworth Group and others are saying that we need to speed up the buyback. I have a lot of sympathy and support for that call. We speed up the buyback, but we need to be strategic. I want both. How do we speed up and become strategic?

Dr Hatton—There is a lot in the potential answer to that. Firstly, my understanding is there is an established process by which a new sustainable diversion limit will be identified.

Senator SIEWERT—It is acknowledged that will not come into effect until 2014 in New South Wales and 2019 in Victoria, which was confirmed on Friday.

Dr Young—The technical work to inform that will need to be done in a much shorter time frame. It will probably be a 12-month time frame. Whether or not you can accelerate it much more than that and get the better evidence base that Dr Heffernan was talking about as well as accelerating becomes a fairly small—

Senator SIEWERT—I interrupted you.

Dr Hatton—I share the same tension around those two observations. Firstly, the river is in trouble and needs redress, and yet we do not want to do the wrong things in the wrong places and lose opportunities to get a better outcome. We share that tension.

Senator SIEWERT—Dr Hatton, where I think you were heading before I interrupted you, is that if we are doing the sustainable diversion limits then we use that science, as the work is done, to inform purchasers as that information becomes available?

Dr Hatton—It partly informs. It is a very important bit of information. The other analysis that needs to be brought to bear is to continue or accelerate what we refer to as the hot-spot analysis

on each irrigation area to understand where the potential gains in infrastructure efficiency can be made to greatest benefit.

Senator SIEWERT—Who is doing the hot-spot analysis?

Dr Hatton—We are involved in projects with the federal department to develop the methodology for that.

Senator SIEWERT—How soon will that be completed?

Dr Hatton—I would have to take that on advice.

Senator SIEWERT—That would be appreciated, because I think that information is vital in terms of some decision making on both infrastructure and water purchase. Is the hot-spot analysis looking at where we should be investing infrastructure money or where there are immediate issues?

Dr Hatton—It is where the systems would gain the most in efficiency investment.

Senator SIEWERT—I would appreciate it if you could give us the time frames for that.

Dr Hatton—Yes. I also would identify something I referred to a moment ago. I am not aware of any work being invested at the moment on serious economic analysis around all of these alternatives for the various irrigation areas and communities they help support. That is the third leg, along with the ecological response to scenarios, the infrastructure investment alternatives and opportunities, and then the economic story.

Senator SIEWERT—The point you are making is that that is not being done.

Dr Hatton—To my knowledge.

Senator SIEWERT—Senator Xenophon has just gone, but maybe he can confirm this when he gets back. The Productivity Commission is supposed to be doing a review now as part of an agreement with the government for when the money was brought forward for the buyback. Is the Productivity Commission looking at some of that economic analysis? The point you are making there is that it probably needs to be specific and more urgent about each package or how effective the most economically effective investment is?

Dr Hatton—My guess is that it needs to be based on the actual flow scenarios that you might entertain under a new set of water-sharing arrangements, as well as the investment in infrastructure.

Senator SIEWERT—Thank you.

CHAIR—Senator Fisher has a couple of questions, as does Senator Xenophon. Did you want to put some on notice?

Senator SIEWERT—I may have some more questions depending on what my colleagues ask.

CHAIR—Certainly. Senator Fisher.

Senator FISHER—I am looking at your submission of now some months ago where you talk about the adequacy of existing state and territory management arrangements. You note that existing state water plans in the basin offer very little protection for the environment. You indicate a little later that existing water-sharing plans provide greater reliability to consumptive water users than to the environment. In your view, does the allocation of water for critical human needs contribute to that skewing and, if so, how?

Dr Hatton—I have never been crystal clear on the current definition used by government on critical human needs.

Senator FISHER—That is interesting.

Dr Hatton—I assume, in answering your question, that it is about the high-security allocations to support town water supply. Clearly, taking that water off the top in a high-security way does degrade the security of all other entitlement holders as well as the environmental flow. In my personal view, it would be hard to justify any change to that, because it is the town water supply.

Senator FISHER—Is it?

Dr Hatton—If it is—

Senator FISHER—You have just said that you have never been crystal clear on the current definition used by government. What about the definition used by this government and its agencies since election but prior to the amendment of the Water Act? Have you been crystal clear on that?

Dr Hatton—I have not seen that. Dr Young may have seen that.

Dr Young—I am aware of the amendments in the act. I have not read them in detail.

Senator FISHER—I will leave that.

Dr Young—I would make clear that the comments in our submission around the existing water-sharing plans and their favouring of consumptive use versus the environment are about how they respond under a changed climate. They are not about making comments about their level of protection for the environment per se but how the balance of water sharing between the environment consumptive uses is affected by a reduction in water under climate change.

Dr Hatton—That is right.

Dr Young—As you reduce the amount of water under climate change there is a greater impact under the current water-sharing plans on the environment than there is on consumptive use.

Senator FISHER—We heard evidence given at the end of last week by Professor Mike Young. Where would your starting point be, particularly in terms of the climate that we are walking into, which he termed ‘river keepers and river losers’? At the risk of paraphrasing part of his evidence, he put the view that there needs to be a review of river infrastructure so that we can have the starting point for assessing which of the river infrastructure gets to be kept and therefore maintained and which of the river infrastructure we therefore need to let go. If that be an accurate portrayal of Professor Young’s evidence, how would you see a suggestion of that nature in the context of what you are saying about allocating water for the environment?

Dr Young—I would add that for different pieces of infrastructure in the system there are environmental positives and negatives. Some of the infrastructure that is on the river, while it may have negatives ecologically, provides the opportunity to better manage environmental water out onto the flood plains, and removal of that infrastructure where sometimes it may have an environmental benefit can also have a negative as well in terms of our ability to efficiently manage environmental water out onto flood plain environments. It is not black and white.

Senator FISHER—It is not black and white. Is it methodical or is it ad hoc the extent to which we are attempting to manage those environmental and river assets at this stage across Australia?

Dr Young—I do not see it as methodical, but in the work that one would envisage being done as part of preparing the basin plan and looking at different ways of managing the system, I would think it reasonable that those issues around infrastructure that you were referring to be looked at as well. It comes to the point, too, where you say there is a lot of expenditure on purchasing water. There could also be expenditure in infrastructure for environmental water management, but actually there is a trade off there. You may get a better bang for your buck in the water purchase if you invest some of your financial resources into infrastructure.

Senator FISHER—Are you agreeing that, unless and until that work is done pursuant to the basin plan, decisions can only be on an ad hoc basis?

Dr Hatton—No. That is probably taking our assessment of the current way that environmental water is managed up and down the river a little bit farther than we would.

Senator FISHER—How far would you take it?

Dr Hatton—As Dr Young said, it is not as strategic as we planned it to be, ‘we’ being the technical community and the Murray-Darling Basin Authority. But there is in the river operations of the Murray River something more than an ad hoc process by which environmental water is managed along that river. The CMAs are involved, as is the River Murray operations.

Senator FISHER—‘Something more than ad hoc’; I guess that is something of a comfort.

Dr Young—The discussion initially was more about how we adjust the levels of water use in the system in terms of a sustainable diversion limit and the overall regime, rather than the operational management of environmental water that is in the system. I do not think either Dr Hatton or I were seeking to make comments on the operational side of water resource management, either for irrigation or for the environment and the decisions around that.

Senator FISHER—I have one further question, and you may say this is operational. In the context of that bit of your submission that I am referring to, where do you see the Sugarloaf pipeline? In my understanding of the agreement between the Victorian government and the federal government, we were told it would require a third, a third, a third. One hundred per cent of what goes to Melbourne would be saved and passed on to the river, and 100 per cent of what goes to Melbourne in any year would be passed on to irrigators. We have learnt that Minister Garrett's agreement with the Victorian government talks about capping Victoria's allocation annually at 75 gigalitres but fails to expressly require an equivalent saving of up to 75 gigalitres, firstly for the environment and secondly for irrigators. How would you reflect on that failing to specify a saving for the environment in the context of your comments here?

Dr Hatton—That seems to be a question in the realm of commenting on policy. Also, I would like to get a point of clarification. I had no knowledge of a 75 gigalitre cap on Victoria's water use.

Senator FISHER—That is annually through the Sugarloaf pipeline. It does appear that is at least written in the agreement between Victoria and the Commonwealth.

Dr Young—There are two comments that I would make. We have not represented that pipeline project in our modelling, but it could be represented. I think that issue was raised last time we were at a hearing in this inquiry.

Senator FISHER—Some of us would say it should be.

Dr Young—I would expect that infrastructure projects such as that would be part of the modelling that would be done to underpin the basin plan. That is only one; there are others. For example, in our modelling we represented stage one of the Wimmera pipeline. Subsequent studies have been put in place since then which would affect water resource management in that part of the basin as well. As to your other comment, it may have been done but I am not aware that the analysis has been done to look at how that project would operate under future climates and what that would mean for the amounts of water. Again, that is something that would be technically very possible to assess.

Senator FISHER—Thank you.

Senator XENOPHON—Some of these you may want to take on notice given the time constraints. Senator Heffernan may have touched on the issue of interception, and in particular concern about the new carbon sink legislation and the impact that will have. To what extent has CSIRO been involved in any modelling as to the potential impact of that, depending on the uptake of the carbon sinks and where they are located?

Dr Hatton—The modelling of the impact in terms of intercepting water off entitlement?

Senator XENOPHON—Yes. I do not know if you are in a position to answer that now or whether you would take that on notice.

Dr Hatton—I can. The work that is embodied in this report and in previous reports was all based on projections of the expansion of plantation forestry under the current economics of

plantation forestry, that is, without any incentive for carbon sink. That is what is in the sustainable yields. We have not repeated that work based on any changed projection of the extent of plantation forestry, if the economics of that industry did change as a result of some incentive scheme on carbon. We have not done that work.

Senator XENOPHON—Is that something you are anticipating doing, given the carbon sink legislation has been passed, along with regulations?

Dr Hatton—We would anticipate doing that if and when we are asked or allowed to re-run these models. It would make sense to do that. At the previous ABARE Outlook Conference 18 months ago, ABARE produced a paper that projected the expansion of plantation forestry under different economies. Those projections, at least at the gross regional scale, are there, which could be picked up and translated through our science into those reduced flows, or those interceptions.

Senator XENOPHON—Would it be reasonable to say on the basis of a significant expansion as a result of the carbon sink legislation and accelerated tax breaks that would change your projections and your modelling significantly in terms of interception?

Dr Hatton—There were some of the regional catchments that we studied where the current projections of plantation forestry had a notable amount of interception. It was never very large, but it was locally important in some of the catchments. Recognising that, if there was going to be any significant increase on the projections of plantation forestry, particularly in the high rainfall country, yes, I think it would be significant enough of a risk that you would want to do that analysis.

Senator XENOPHON—I would like to go to the Ramsar sites and in particular in the Coorong, where there is an issue of hypersalinity. Is that something that you looked at recently? I think there is an argument that in order to prevent that area turning into a Dead Sea you would need to pump some of that hypersaline water out and let in sea water. Is that something that CSIRO has had any involvement in?

Dr Young—It is. I am not fully apprised of that work, but we certainly have been doing some technical work on the hydrodynamic modelling of the Coorong system and looking at what the mixing and salinity regimes would be. My understanding is that hypersalinity in the southern lagoon is to a point that adding additional fresh water is not going to solve the problem without removing some of the salt from the system. We have been doing some work recently—

Senator XENOPHON—I was not suggesting that fresh water be put into the Coorong itself. It is about taking the—

Dr Young—We have recently been modelling some of those pumping scenarios, of removing the hypersaline water out of the south lagoon. I believe that work is being done for the South Australian government and that modelling is largely complete now. For any details on that we would have to take it on notice.

Senator XENOPHON—Please take that on notice. There is a real concern in the local community about that particular part of the Ramsar sites.

Senator HEFFERNAN—I would like to go back to the Condamine-Balonne. I notice in your study you have the mean flow at 1,300. I thought it was about 1,200.

Dr Young—Where are we?

Senator HEFFERNAN—This is under the impacts of climate variability, on page 35. Are you saying that the median flow at the moment is 1,300 on the Condamine-Balonne?

Dr Young—Is that under the historical period as defined in the project 1895 to 2006?

Senator HEFFERNAN—Yes.

Dr Young—That is an assessment of water availability, not mean annual flow. What we have done is assessed at the point in the catchment where the river stops gaining water and starts losing it what the mean annual flow is there.

Senator HEFFERNAN—I recognise that.

Dr Young—That does not mean to say—

Senator HEFFERNAN—This is a hell of a difference when it gets down below Beardmore and so on.

Dr Young—That includes a number for the Neobine system as well.

Senator HEFFERNAN—That is where it is coming from.

Dr Young—That would probably be the main difference. The region we have modelled does not relate directly to the Condamine plan area.

Senator HEFFERNAN—Just say for constructive purposes it is 1,300 and that includes the Neobine, and that is likely at the Warrego, which below Wyandra becomes a giver, not a taker.

Dr Young—Yes, a losing stream.

Senator HEFFERNAN—The median is 1,240, which we will just say comes down 1,100 if you take the Neobine out of it, and that is at the point where the river becomes a giver and not a taker. You would not have to be a rocket scientist to work out that issuing a licence for 469,000 megalitres would put a pretty serious dent in the water availability for anything below the licence taker, would you?

Dr Hatton—We are not rocket scientists.

Dr Young—That was my answer, too.

Senator HEFFERNAN—That is why you would know the answer. I said, ‘You wouldn’t have to be a rocket scientist.’ It seems to me that, if the system has a mean flow of somewhere

like 1,200—and it might be 1,000 gigs—that we are prepared to be courageous enough, just on one property, to issue a licence. There are obviously flow restrictions, but to get to the mean flow you are going to have to have the flow to be able to take the water. Taking that conscious decision, 469,000 megalitres—and all these gutless politicians do not want to do the full drilldown into the environmental impact but get the political convenience of it—would have a serious impact on water availability in the long term below it, and ‘below it’ is Australia’s largest flood plain. Does this make you feel uncomfortable in that they are relying on the CSIRO headland study of the Condamine-Balonne to authenticate and justify the political decisions to issue the licences? You do not have to answer that in the way that will get you the sack.

Dr Hatton—All I can say is that, because the Queensland state department were technical partners in the study, they are certainly aware of the results of the study and they have these results in front of them in making that decision.

Dr Young—The numbers in here show that the current level of development without those new licences that you are talking about has reduced the end of system flows on the Condamine from about 551 to 247 gigs on average. In taking extra water out you do not just take it off the end of the system. It is subject to the losses. The models that we use and the models that the Queensland government have developed would be used to quantify—and would, I presume—the impact of those extra licences on the flows that reach the end of the system and to reach the wetlands that you were referring to.

Senator HEFFERNAN—We have to offset that against the fact that a lot of the water taken now is unlicensed, unregulated and unmetered. It is cowboy country. But at the same time it seems to me that it is the most crass, gutless political skulduggery to issue those licences against what you have just said knowing more or less that you are going to have to buy them back after you have issued them to make the river system work. I think it is a fraud on the public purse.

ACTING CHAIR (Senator Siewert)—We are all very clear on your thinking about that. You took some questions on notice and we would appreciate those answers when you can. Thank you.

Senator HEFFERNAN—I would like to thank the CSIRO for all their good work.

[5.34 pm]

KINGSFORD, Professor Richard, Private capacity

ACTING CHAIR—I welcome Professor Kingsford. I should put on the record that senators are very interested in this, but they are running in and out because they are joining the chambers. I apologise in advance because I also have to rush off and come back. Do you wish to make an opening statement before we ask questions?

Prof. Kingsford—I have a very brief opening statement. I have been involved for more than 20 years in research, management and policy of Australian rivers, particularly the Murray-Darling Basin. I was a member of the original scientific panel on the River Murray. I am a member of the Australian government's scientific advisory committee for environmental water and I am a member of the scientific panel for Lake Eyre Basin.

Senator HEFFERNAN—It would be fair to say that I think it just flies in the face of the national interest and common sense, and just shows the cheapness and political gutlessness that some of these things are not addressed. You have had a look at the Condamine-Balonne flood plain.

Prof. Kingsford—Yes.

Senator HEFFERNAN—Is it Australia's largest?

Prof. Kingsford—It is the largest in the Murray-Darling Basin.

Senator HEFFERNAN—Would it be fair to say that, not only because of dry seasons, it is in reasonable disrepair?

Prof. Kingsford—That is a fact. It is going to get worse.

Senator HEFFERNAN—You have not officially heard about it, but the study done by the CSIRO really was not a study that drilled down into the long-term environmental impacts of what has been allowed to happen and what may be allowed to happen in the future, especially on the Lower Condamine-Balonne.

Prof. Kingsford—I also think it underestimated the effect because the flows are mainly in the main channel. We have got nothing on the flood plain that tells us what is going on.

Senator HEFFERNAN—Would it be fair to say that there has been a decided lack of science being put into the study that would allow, under the resource operating plan that is now in its draft form, the issuing of a whole range of new licences?

Prof. Kingsford—I am not aware of whether there are currently licences that are quasi.

Senator HEFFERNAN—They are. At the present time they are authorisations, but they will become financial instruments, which will be compensable, which is one of the points that I try to make?

Prof. Kingsford—The Condamine-Balonne will be a serious issue for the next 200 years in terms of its environmental degradation, and it will get worse. There are 1.2 million hectares of flood plain trees reliant on a naturally flowing river, and we have obviously seen considerable development there. If we go down the path of the way we have on every other river system in the Murray-Darling and where we are today, inevitably the public demands that governments do something about that and the process is that taxpayers foot the bill for buying back water. On that basis, at some point, we are going to have to buy back water for the environment in the Condamine-Balonne to meet environmental targets. The question then needs to be asked about who is benefiting in the system if we do hand out more licences, because essentially there is a big issue about private gain and public loss.

Senator HEFFERNAN—I would like to take you to that. If we were to issue these licences, which will be based upon the capacity of earthworks in the system to both intercept and store water—and as I often point out, the person chairing the independent body does not have any capacity to intercept and store water, yet finds herself in a commercial-in-confidence arrangement on the largest water licence ever issued in Australia—given that they are not issued at the present time and are authorisations, which means they are not compensable rights, we would indeed knowingly be issuing licences that we know the system will not stand and we will have to buy them back and compensate the people we issued them to.

Prof. Kingsford—The argument will be that because there will be licences in the big bucket of licences in the Condamine-Balonne governments will not necessarily target individuals or licensees for that water, so they would be buying back water from somewhere in the system. They may or may not be those particular beneficiaries of that licensing process.

Senator HEFFERNAN—In a system that has a mean flow of 1,200 gigs and for which there is approximately 1,500 gigs of on-farm, off-river storage the argument for that is that the taxpayers did not put the head works in at Beardmore and a couple of other smaller storages. That is all well and good, but the cockies had to do all the hard yards. I have to say they have. They have taken good advantage of what you would almost say was a blind eye that was turned to the environmental impacts, and in fact after a study in the dying days of a previous government up there—I will not name them, because they are all as guilty as one another and it does not matter what political persuasion they are—they actually legislated to avoid environmental studies by keeping the storages below five metres, as I recall. It allowed some serious anomalies in the system where you have got a property, Ballandool, below Cubbie, which has a 100,000 megalitre storage, built in anticipation of water being available. But of course the water is not available and they have torn up a lot of money. I succeeded in talking the previous government into not buying it back, because the value they put up included the availability of the water that was not available. From a scientific point of view, do you think this is not irresponsible of government?

Prof. Kingsford—The ecological cost potentially is already there in that they are taking the water. It is more a case that, if the government will be forced to buy back water at some time in

the future, it is going to have to buy back more water if there were more licences issued, so it is going to be more costly to government.

Senator HEFFERNAN—If you did not issue the licences surely you could go back, which is what I thought was going to happen with the CSIRO, but their instructions were not that. We have just had pointed out to us that their study in fact did not include the draft resource operating plan, which makes it even more ridiculous, given that the draft plan was already there. Would it not be a more sensible thing to do to go back and have a fair dinkum study?

Prof. Kingsford—Absolutely. I think there is a fundamental problem with the way we are modelling our systems. We are modelling the sleepers in there. We are modelling whatever we think is going to be the maximum take in a water resource plan. The same thing happened on the Warrego. There is an issue with the CSIRO modelling in that it does not adequately measure the impacts on the flood plain. We obviously think there are significant impacts from their modelling, but they are going to be that much more significant on the flood plain and in the longer term we are just going to see large scale loss of productivity in that flood plain. It is not just going to affect the environment; there are people who have relied in the past on those floods for their economic wellbeing.

ACTING CHAIR—I am sorry to cut in. I am quite keen to ask some questions before I race off. In terms of the work that you have been doing, particularly across the northern part of the basin, you have done the Paroo survey, which we have talked about before. Do you want to respond to any of the further comments that the Queensland government in particular has made?

Prof. Kingsford—Only that we stand by our results.

ACTING CHAIR—I expected that you would say that. I think I have asked you before in terms of extending that particular type of survey over other areas in the northern basin. Have you been doing any further work over the rest of the basin?

Prof. Kingsford—Not yet. There does not seem to be the funding available yet. There are processes we are involved in. We are working with the New South Wales government about potential project proposals, but it is such a difficult area and governments are not wanting to leap in there, mainly because I do not think the policy issues are well thought out yet and defined. New South Wales is trying to do that, but it is tricky. It is tricky technically and it is also tricky in a political sense as well.

ACTING CHAIR—On Friday Professor Young was talking about shepherding down water. It seems to me this is a big issue in terms of where environmental flows are released we lose the effectiveness of them basically because they trigger other people's rights about entitlements to be able to take water. What do you think is the solution to that?

Prof. Kingsford—I think we need to change their ability to take that water. Those are plans that could protect that water down through the system. It may not make its way all the way down the system. It might just peter out halfway down a flood plain. The most difficult issue seems to be on the unregulated rivers. You need to do some modelling to work out what the new pumping thresholds are, and protect it.

ACTING CHAIR—I was asking the authority about it and we were talking about the lower water-sharing plans. They were saying, ‘You need to be able to change those.’ I was thinking more in terms of having legislation that said, ‘You can’t do it’, rather than relying on resource sharing plans where we have to rely on that group to pass rules to say, ‘No, you can’t take it.’

Prof. Kingsford—I am not sure about the interaction between the water-sharing plans in the states and the Commonwealth, and how you would give effect to something like that, because they are all tied up in various modelling scenarios of how much water they are expecting to come down through the system and that is how the rules are organised. Technically, I do not think it would be difficult. How you actually get it implemented operationally might be difficult in terms of the water sharing, but in essence you are not changing the extractive shares, which would be the issue.

ACTING CHAIR—What I want them to do is say, ‘You can’t take water that has been released for the environment.’

Prof. Kingsford—That is right.

ACTING CHAIR—Whether it exceeds the levels or not that trigger your right to your entitlement, the fact is that is supposed to be for the environment and you are actually undermining the intent of releasing that water.

Prof. Kingsford—There are issues with flood plain harvesting currently where environmental flows can be intercepted. It is a problem and it is a problem because the structures are there to intercept. Also, I do think you can potentially shepherd.

ACTING CHAIR—I have to race off, but I will be back. This is what happens when we do it during sittings. Senator Heffernan.

Senator HEFFERNAN—We may have to suspend for a little bit, because we are keen to ask questions.

Prof. Kingsford—Sure.

Senator HEFFERNAN—I will declare an interest but also ask a question about the Lachlan. Could you describe the Lachlan flood plain? Are you familiar with that?

Prof. Kingsford—Yes. Basically, it is the large flood plain at the end below Forbes. There is the Cumbung Swamp. Do you want to suspend proceedings?

Senator HEFFERNAN—Yes. I would like to come back.

Proceedings suspended from 5.48 pm to 6.04 pm

ACTING CHAIR—We were talking about shepherding water. In the short term, before we fix the issue around legislation or amending water resource sharing plans, do you have any suggestions as to how we would get the water down before—

Prof. Kingsford—I think the first investigation is to see if the rules can be changed on water-sharing plans within the state framework. If they are operational rules they may be able to be changed. You would probably have to do some modelling to show at what point you might get a trigger on extraction if you wanted to. I would imagine, if it is just a question of working out what the quantum of water is, that is an environment component and making sure it is not taken by people turning on their pumps.

ACTING CHAIR—One of the questions I was asking the authority earlier was: has a similar body of work been done for ecological values? In relation to the basin planning we now have one of the most substantive bodies of work we could get in terms of sustainable yields. I asked the authority did we have a similar body of work around ecological values and they said no.

Prof. Kingsford—It is a big problem. I think there are various research groups that are doing some of that, but generally it is not an area that has been funded that well. It has really come down to where people have had an interest in a particular wetland and they have been working on that wetland, so we have a growing amount of information. It is certainly not basin wide. One of the issues is that as we go into the area of discussing key assets that we really do not know where our key assets are. Obviously we know where our Ramsar sites are, but there are a number of other major wetland systems that may or may not have any protection, which is potentially affected by these things.

Senator SIEWERT—There are two things, aren't there? There is one where we have the information and it is in separate hands because as you said researchers have been doing things—I will not say ad hoc because that makes it sound as if no-one has actually thought about doing them differently but 'where they can' I think would be a fairer description. There is information that exists but there is also information that we have not actually studied yet?

Prof. Kingsford—That is right.

Senator SIEWERT—I have two questions. Firstly, how much would it be do you think to draw together the existing information? Secondly, what should we do to acquire the information about areas that we do not have a lot of ecological knowledge about?

Prof. Kingsford—Excuse me for talking about my own work here because we have done some of that. We have been developing what we call a wise database for all water information, all the science that has been published in the Murray-Darling. We have done all the northern catchments. We are at a stage where we are looking for doing the river Murray but it essentially captures everything that is being done on water related to the environment and tags that to each wetland and system. To answer your question, it would be relatively easy for the northern basins—in other words all of the Darling catchments right down to the Murrumbidgee—to identify the science related to that river system because we have essentially gone through all of the science, all of the literature cited, to track down where it is relevant. We have not done the river Murray. We have not had resources to do that.

We are currently looking at what I believe are the two big questions about rivers. One is: what can you not manage for given the environmental share? We are doing that in the Macquarie with some detailed modelling and satellite imagery and we are also collecting information on the vegetation, the water birds and also native fish species. Basically that is three post-doc people

and we are getting close to probably about \$1.5 million over two years for a whole catchment. But I think we are now getting to a position where you can actually do things like say: what happens if we increase the environmental flow by X; or, we have the effects of climate change on flows, what will that mean for this whole wetland system; and, what parts of it can't we manage for because there is not enough water? Really it is not win-win. Here we need to identify that we have lost a whole lot and the only way to get that back would be to provide more water.

Senator SIEWERT—I have a whole host of questions out of that. One relates to back to where you said it has not been done to the river Murray. Is anybody else doing it for the river Murray?

Prof. Kingsford—No, not that I am aware of. I think one of the biggest problems that we have got currently is managing information and getting easy access to it. I guess that is why we have endeavoured to collect all the information for those northern catchments.

Senator SIEWERT—As to the authority doing their basin planning, could they come to you and say, 'Right, give us the information you have got?'

Prof. Kingsford—It is going to be on the web so it will be accessible. I do not think the cost of actually doing that for other parts in the big scheme of things is that big. The problem is that we waste money not knowing what has gone on before.

Senator SIEWERT—The other question I also have is: you have got a handle on what information and science has been done. Is it also easy then to identify data gaps?

Prof. Kingsford—Absolutely.

Senator SIEWERT—What is it showing?

Prof. Kingsford—It is showing that we have had a pretty piecemeal approach to environmental information. For some parts we might know quite a lot about water birds. For some parts we know quite a lot about salinity. For other parts we might know about red gums but in terms of the whole of the river basin we cannot very well get a picture at that broad level of what is going on.

Senator SIEWERT—If we had the adequate resources to bring to this, in your estimation how long would it take to acquire or get the information that is needed to set effective, sustainable diversions?

Prof. Kingsford—The setting of sustainable diversions is very tricky because that is going to be a political decision. But to me the first point of call is you have actually got to decide how much you can manage for, and how much was there naturally. You have actually got to know what you have lost because we are not going to be able to turn these rivers back to where they were pre regulated. If you have only got 10 per cent of a wetland is that sustainable? I would argue that ecologically it is not. But you need to be able to identify you have only got 10 per cent. We have got a reasonable idea of that for the Macquarie and it basically required, as I mentioned before, about \$1.5 million for a whole catchment for two years.

Senator SIEWERT—That is \$1.5 million for a whole catchment and we have many catchments that we need to do?

Prof. Kingsford—We have got many catchments but I think a lot of that work has been done on the river Murray. We know quite a lot about that. The other catchments we do not know that much about, but I would think you could set priorities. We know that there are a number of catchments that have major wetland systems at the bottom end and there are some that do not necessarily—for example, the Namoi has some wetlands but it does not have a wetland that would come out in lights.

Senator SIEWERT—We would prioritise—

Prof. Kingsford—That is right. Then there are other ones, for example, the Paroo which has major wetlands of great importance but there are no threats on it, so you would not necessarily worry about that so it is about prioritising.

CHAIR—Thank you very much for your time and assistance to the committee.

[6.16 pm]

WILLIAMS, Mr Geoff, Chair, Torrumbarry Reconfiguration and Asset Modernisation Strategy Working Group

Evidence was taken via teleconference—

CHAIR—Welcome, Mr Williams. Do you wish to make an opening statement before we go to questions?

Mr Williams—No. I am quite happy to answer questions at this time.

Senator SIEWERT—Your project, the TRAMS project, has been raised in our committee on a number of occasions and it seems to me to be a pretty positive approach to planning. Can you tell us how the project started and what the motivation was for it?

Mr Williams—The project started probably two and a half years ago when the Victorian state government did a deal with its irrigators in the unbundling process where we actually gave up 20 per cent of our sales allocation in exchange for a low-security water right and \$50 million cash. Six million dollars of that was for what we call reconfiguration and looking at our irrigation system and replanning it. The TRAMS committee formed with the Torrumbarry's area committee that was looking at that part of the project. Out of the \$6 million we got about \$1 million.

Senator SIEWERT—Could you say that last bit again, please?

Mr Williams—We got about \$1 million out of the \$6 million that was allocated at that time. One of the key things for our committee has always been that we have been really focused on solutions, not the problem. We wanted to look to see how we could best be part of any solution that was going around. At that time TRAMS was Torrumbarry Reconfiguration and Asset Modernisation Strategy. We had a vision of modernising probably 50 per cent of our system and retiring about 30 per cent of it, but at that point we had no money. One million dollars was not really going to do anything but over time we think we now have access to a reasonable amount of money that should enable us to achieve what we have set out in our vision.

Senator SIEWERT—What level of resources have you got now? I am sorry; I will take a step back. You have gone through the planning process and I will ask you a bit more about that in a minute. As I understand it, you have identified your plan and now you are implementing it; is that right?

Mr Williams—We are still partly in the planning process because part of the process that we are going through at the moment, and probably one of the biggest threats that we see at the moment, is this buy-back by the federal government. That is why we have thought long and hard about how we can in some way protect our irrigators and at the same time achieve a workable solution. That is why we have looked at targeted buy-back, but that is an integrated investment package. What we really need is funding into the areas that really probably do not have a long-

term future in irrigation and we need to allow those farmers and irrigators who are in those areas to get out with some dignity. But we also need funding to look at improving the productivity of the ones who are going to be there in the long term. I think the package is there. You have got basically \$10 billion. We think we are currently in the process of putting together a package that will enable us to access both sources of the buy-back type funding.

Senator SIEWERT—And the infrastructure?

Mr Williams—And the infrastructure funding.

Senator SIEWERT—I was going to ask you what the buy-in from the community is, but I should probably pick a better term. Of the farmers in your region that you are covering, what is the involvement of landholders, or land managers?

Mr Williams—In the community?

Senator SIEWERT—I am thinking of the broader—

Mr Williams—In a broader sense?

Senator SIEWERT—Yes.

Mr Williams—Would I get killed if I went out there and said it? If I stood up at a public meeting would I walk away unscathed?

Senator SIEWERT—For this to be realistic, obviously you need as much as take-up or involvement in the planning process as possible. What has been the support from your community for this project, because it seems to me that you are being very proactive and it is one of the more out there groups in terms of actually looking at how you want your district to look into the future?

Mr Williams—Right from the start we went out to the community and we have had a number of public meetings where we have actually got up there and explained what our vision is. We have tried to take the community along as best we can. I think one of the pluses for us is our committee. It is made up of both irrigators and non-irrigators. We have got local government CEOs on it. We have got local business leaders in it. We have got agency people. We have got a diverse group who are part of the actual committee. One of the other things that we have at the moment is that down here where I am we are still in the worst drought that we have ever seen. A lot of people are saying, ‘Well, we have got to do something.’ We have been able to get out there and say, ‘This is our vision. This is where we want to take you.’ And people are coming on board.

Sure, not everybody is going to be happy. If you have a look at some of the areas and you have a look at a channel you might find that the people who are on that channel that might be earmarked for closure or which may not be there for the long term, we are not saying we are actually going to close channels. What we are going to do is deliver water in a different way for those who want it but it will not necessarily be through Goulburn-Murray Water infrastructure. Given that we have a number of channels that run parallel and everything else not that far away,

it could very well be that people who want to continue to irrigate in an area that might be earmarked to have its channel closed down could still into the future be irrigating; it is just that they will not be irrigating from the same delivery point that they currently are.

Senator SIEWERT—One of the issues that comes up when you are doing this sort of planning inevitably is that people say you are picking winners and losers and that by identifying the areas that are potentially not as viable for irrigation in the long term you are condemning those areas, which has marked implications, et cetera. How have you handled that?

Mr Williams—Yes, that is right. I think you have to acknowledge that that is the case. What we have tried to do is to have a pretty robust sort of framework by which you select an area. You are picking it on scientific data rather than: I do not like a particular area so we will shut it down. You look at things like salinity. You look at things like water traded out of an area and how much water is still left in an area. You look at natural resource type issues. A fair component of the Torrumbarry area has Ramsar-listed wetlands and everything else in it and we use a lot of natural carriers. We are pretty mindful of the fact that we need to remember that when we are having a look at outcomes. You look at other ideas for people. Maybe they can get into carbon credits. Maybe we can look at grasslands type projects tenders. You just have to look a bit outside the square as to what we actually do with the land. We are not saying it is going to be the end of the land. We do not want to walk away from it. One of the things that we are looking at in this case study we are currently undertaking is to have a look at whether or not we can use a third party like the Rural Finance Corporation in Victoria anyway to maybe amalgamate some of the land to repackage it and change its use to, say, dryland farming.

Senator SIEWERT—You have been through a very thorough planning process and used all the information that was available. Has that been accepted by the landholders affected?

Mr Williams—In the channel that we are talking about that we are looking at for the case study, Goulburn-Murray Water has probably been out to those people two times already to have a talk about what the future for that channel is because it has lost a lot of water. From that point of view it is not going to be something that is new to them. We are not anticipating that there is going to be a major backlash. We have got about three horticulturalists on there. Right next door to where they are is an area we call Tresco, which is a pump irrigation horticultural district that is part of Torrumbarry. We have got a pump station and everything else there. One of the things that we will look at is whether or not there is some way that we can deliver their water via the Tresco system rather than through a big, open channel.

Senator SIEWERT—You are saying that you are looking at your decision-making on land use and things like that through a number of—

Mr Williams—Verifiable criteria.

Senator SIEWERT—Exactly. You are looking at just because an area may not be viable for irrigation under your current system, in the future it may be if they got their water via a more efficient mechanism; is that how you are looking at it?

Mr Williams—Yes. We are not going in there and telling the people that they have got to get out of irrigating. What we are saying is: we cannot deliver the water to you down this channel;

the way we can deliver it is maybe through B or C; we cannot do it the way we have been doing it.

Senator SIEWERT—Is it then up to them to say, ‘Okay, I might decide I want to sell my entitlement because I am going to be more sustainable in the future if I do actually go to dryland farming’?

Mr Williams—Yes. But part of the difficulty is that some of these properties are probably too small in their own right to go to dryland farming.

Senator SIEWERT—Then you need the other mechanism. I have certainly been thinking for a long time that we need another pot of money for readjustment. What you are saying is that they may be too small and so therefore you do need a way of readjusting it, which is when you were saying you would bring in the third party and you used the example of Victoria?

Mr Williams—Yes. We have been talking to DEWHA fairly heavily in the last two or three months and I think we can achieve what we want to achieve with an adjustment type outcome through the \$3 billion that is currently there. I think it is just a matter of having a look at the package that we put together. That is why it is really important that we get the criteria right for the areas.

Senator SIEWERT—What has the response from DEWHA been like?

Mr Williams—They are pretty supportive of us and my understanding is that they are keen to keep progressing this case study that we want to do.

Senator SIEWERT—Are you asking them for funding for the case study?

Mr Williams—Yes, we will certainly be seeking some funding out of them for it, but I think there is a \$200 million pot that we should be able to get some out of.

Senator SIEWERT—Hopefully.

Mr Williams—All we have to do is work out what the ground rules are.

Senator SIEWERT—Yes, we have got to the government about that.

Mr Williams—We are going to undertake the case study anyway. Out of the case study what we want to get is the process right because I think the area that we have chosen is in some ways a simple outcome for us because we have done a lot of the groundwork but we have got to get the process right. If we get the process right then it will move anywhere. When we look at the package that we are going to offer these people, you look at the \$150,000 that is currently available to small horticultural blocks to get out, maybe we have got to look at that sort of funding to these sorts of people as well; relaxation of some of the rules around some of these re-establishment type funding arrangements.

Senator SIEWERT—To make them more applicable.

Mr Williams—To make them applicable because once you start adding \$150,000 and then the price of the water on the block and then you add some of the losses in the channel—Goulburn-Murray Water will have some infrastructure that will not be replaced so there will be some money there. All these sorts of things add up. It will be a substantial nest egg that the people could very well say, ‘Look, we are out of here. We will sell out.’ And we offer them a package, a price for the land. The land goes to the likes of RFC. The people get the package made up of all the different players who are going to have some say in the division of the spoils, if you like, and we sell them to the highest bidder. That gives the people the money. From an area point of view we get a good outcome because we are saving water and there is less infrastructure and everything else because we cannot continue to operate with the level of infrastructure that we currently have, so in all those sorts of things everybody becomes a winner.

Senator SIEWERT—We are talking about the buy-back case study, aren’t we?

Mr Williams—We are talking about a targeted buy-back area.

Senator SIEWERT—Have you been talking to DEWHA about that?

Mr Williams—Yes.

Senator SIEWERT—They came before the committee on Friday and said that they are happy to talk to groups if they come with an integrated proposal. Given that they are willing to talk to you about it have they expressed a willingness to fund a case study?

Mr Williams—I am not quite sure at what level we are at with them. I have not talked to them along the lines of funding the case study but we are certainly well down the track on planning with DEWHA. We have actually got DEWHA to attend some of the meetings where we are planning this process. They do not want to be up front, and we accept that. They are not going to stand up the front and say, ‘We are the buyers’, but in some ways we do not really want them to. We want them to be a co-contributor around the table. There are other people out there who have got pots of money and who want outcomes that maybe we can deliver for them. We call it an integrated investment package. We are looking at all the different players and seeing what they want, what outcomes they are looking for, to see what we can do.

Senator SIEWERT—You have already done a substantial amount of planning for this. In fact when you talk about your case study what you are actually talking about is implementation of a case study; isn’t it?

Mr Williams—Yes. We are nearly at the point where we are very close to going out there. There are a few snags in the thing at the moment. One of them is probably the four per cent rule in Victoria. I can accept our state government’s view on that. But we are certainly talking to them as well to say that we believe if you are in a targeted area that maybe it can be considered outside the four per cent. That way if people sell their water and they sell it to us, for example, then that water does not have to fit within the caps that we have.

Senator SIEWERT—Has the Victorian government indicated a willingness to do that?

Mr Williams—We are certainly discussing it with them.

Senator SIEWERT—Right back at the beginning of your evidence when you were talking about how you came to be starting this, have you used part of that \$1 million that you were offered that you had in the first instance to fund your work to date?

Mr Williams—We have used all of it plus more.

Senator SIEWERT—Where does the rest of it come from? Have your committee and your landholders contributed the additional funding that it has cost?

Mr Williams—Yes, through our water charges, through Goulburn-Murray Water. Part of the process has been that we have been using Goulburn-Murray Water staff and that process has worked really well and the staff we have got are really good. There has been some in-kind type stuff from Goulburn-Murray Water. At the end of the day Goulburn-Murray Water does not get any money from anybody but irrigators so we are still paying. Now that we have got NVIRP, the Northern Victoria Irrigation Renewal Project, the \$1 billion, TRAMS is now part of the NVIRP top part of Goulburn-Murray Water. A lot of the work now is in the modernisation of our channel system.

Senator SIEWERT—Presumably that is being done to be consistent with your plan that you have already worked out?

Mr Williams—Basically what NVIRP is looking to do in our area is pretty much what we have already set out in our plan. NVIRP is giving us funding to enable us to achieve our plan.

Senator SIEWERT—In relation to how you got going, what information base and support have you had in terms of getting access to data that is obviously key for the planning process? Was that easy? Did you get the data that you needed? Was it available and, if not, what did you do if it was not available?

Mr Williams—Kept belting heads higher and higher up the chain until you found somebody who could provide it. Most of the information is available. I think one of the difficulties you face is that a lot of agencies are very silo-orientated and there are not too many cross linkages between them.

Senator SIEWERT—I thought that was just in WA.

Mr Williams—We probably taught them how to do it from here. Once we broke that down and we now use GIS type data and you get a sort of trust between agencies, if you like. When you have a look at the various layers, I suppose the community groups are at the bottom and we report to the board of Goulburn-Murray Water or NVIRP, but above us or to the side of us are total agency type entities, Goulburn-Murray Water, CMAs, DPIs, DFEs, and they are there to basically provide us with the information.

Senator SIEWERT—Do I take from your answer is that it has got easier as time has gone on?

Mr Williams—Yes, because we have probably been able to show that we are actually after a solution and in some ways we are able to give them some comfort that we are going to have a good outcome.

Senator SIEWERT—Are other districts and areas looking at what you are doing and starting to implement or take similar sorts of approaches themselves?

Mr Williams—Goulburn-Murray Water and I think other areas have done similar things, but my understanding is that we are substantially in front of most other areas.

Senator SIEWERT—Certainly from the information that we have had from this committee you are. I was just interested to see if in fact there were other areas—

Mr Williams—I think we are focused on solutions. We want to be part of the solution. That is why we are working with DEWHA at the moment. I think we are able to put up a good case because from where we are sitting we do not see too much coming the other way as far as workable solutions are concerned. We are able to work with them to actually develop a solution. It is certainly going to be good for us.

Senator SIEWERT—Has your catchment management authority been involved with this?

Mr Williams—Yes.

Senator SIEWERT—Are they supportive?

Mr Williams—Yes, extremely supportive. Torrumbarry has Ramsar-listed wetlands in it and we use them to deliver water through. We have got 160 or 170 kilometres of natural carriers that we use as well. A lot that we do with irrigation interacts with the environment. The environment needs our irrigation system, if you like. Gunbower, one of the icon sites, is going to need our irrigation system to actually deliver the water.

CHAIR—Are you in the process of developing a group proposal for the sale of water to the Australian government?

Mr Williams—Are you saying from a DEWHA point of view?

CHAIR—From the point of view of the people from your area you represent?

Mr Williams—We are working with DEWHA at the moment and we have had a look at their guidelines for putting together a proposal. I think that is sort of the basis of where we are coming from with the case study.

CHAIR—You are clearly representing the people that you represent. It is not a case of if the buy-back is there and the offer is good enough it is up to the people, but they do not have to be forced into dry farming.

Mr Williams—No, but at the end of the day we are proposing to use the Victorian legislation that we have in reconfiguration which basically means that at the end of a period determined by

the minister we actually will get an outcome. We are not going in there with a proposal if they say, 'We are not going to do anything. We are going to walk away.' We are actually going in there and we are going to change things.

CHAIR—I would expect it would be difficult working with so many different stakeholders; I grant that. What are some of the issues you are encountering assessing which areas are the most viable long term compared to those that might be least viable?

Mr Williams—When you have a look at things like soil types, salinity, environmental assets, flood plain type issues and water trading out of areas; they are all the sorts of things that you start to look at. In the papers that we actually sent to you there is a diagram of the reconfiguration concept on about page 3, the green and the gold—

CHAIR—I am just trying to find it. Would you believe mine is not numbered?

Mr Williams—No, neither is mine. But it is at the top of the page.

CHAIR—The reconfiguration concept?

Mr Williams—Yes. If you have a look at that, that is made up of a compilation of a number of different layers of information. The area down the bottom in Gunbower is basically grey because it does not have some of the layers there. We do not have salinity and the soil type information for that area but that grey area there is fairly heavy dairying type industry. It is all basically good soils and it is at the head of our irrigation system. The green there is saying that area probably has a long-term future in irrigation. The yellow areas are areas that possibly do not have that good a future.

CHAIR—You have obviously done a lot of work.

Mr Williams—Yes. But what you will find is that between the CMAs, the water authorities, the DPIs, the DFEs and everybody else, there is a lot of this information there. All we have to be able to do is access it and put it into a form that you can actually then look at and utilise the information that is available. There is a lot of information available.

CHAIR—I do thank you for being patient. We are running on a very tight time schedule today and unfortunately we have gone over it a little bit. There is a lot going on. But we do thank you on behalf of the committee.

Senator SIEWERT—I very much appreciate it and found it fascinating. Thank you.

Mr Williams—If you get the chance and you would like to come down here we are more than happy to take you around and show you what we are doing.

Senator SIEWERT—I am glad you offered that because I am very keen to have a look.

CHAIR—There you go; you have Senator Siewert on her way and I am sure she will drag a few more of us with her.

Mr Williams—We are certainly keen to show off what we are doing.

CHAIR—Good luck and thank you very much for your time and assistance.

[6.58 pm]

LEWIS, Councillor Andrew, Mayor, Bourke Shire Council

RANDALL, Mr Trevor, Private capacity

WISE, Mr Geoff, General Manager, Bourke Shire Council

Evidence was taken via teleconference—

CHAIR—I welcome Councillor Andrew Lewis, the Mayor of Bourke Shire; Mr Geoff Wise, General Manager of Bourke Shire Council; and Mr Trevor Randall. Have I got that right?

Councillor Lewis—Yes, indeed.

CHAIR—It is fortunate that we can use this teleconferencing technology, but for Hansard purposes every time you speak just please identify yourself. Who would like to make an opening statement, or would all of you like to make an opening statement?

Mr Wise—I would like to give a broad overview from a few different perspectives. I would like to touch very briefly on five points. I have been the General Manager of Bourke Shire Council for 17 months. I also happen to be the interim Deputy Chair of the Regional Development Australia Urana region. That is the new portfolio combining state and federal government regional development organisations. I am the outgoing chair of the Urana Area Consultative Committee. I am a board member of the Royal Flying Doctor Service as well, so I have a few different roles and it is worthwhile sharing them.

In a past life I spent all of my career in the western half of New South Wales and 12 years as Regional Director of Natural Resources, or by various names including infrastructure planning, natural resources and so on. Simultaneously, I was the Western Lands Commissioner for the western 40-odd per cent of the state. Prior to all of that I had a career with agriculture, starting out as a veterinarian and ending up as the Regional Director of Agriculture. That is a bit about who I am.

There are four points I would like to touch on. Firstly, the Toorale experience with the sale of Toorale last year; secondly, the principles and lessons that we learnt from that; thirdly, a few comments about government programs from a rural and regional affairs perspective; and finally, a little bit about Bourke from another perspective.

On the Toorale experience, I have sent down today some work that we did in September last year following the purchase of Toorale by the Commonwealth and state governments. We are fairly clearly using objective information that the input costs that were lost from the region of the Bourke Shire is in the order of \$4.7 million per annum, which excludes labour and a whole heap of other components. It certainly excludes the multiplier effects normally used by economists. The source of that was simply using the sale ratio information provided by Toorale when they

put the property on the market and multiplying it by the Department of Primary Industry's gross margins. It was two lots of pretty objective data to arrive at that \$4.7 million input cost lost.

All of that is captured in the paperwork that I sent down. There are a few comments in that document on page 4 that I have no intention of reading, so you may like to check that for some of the implications. Some of the impacts on the Bourke economy were listed on pages 5 to 7, but very simply that one property contributed 14 per cent of the water and licence entitlements of the whole shire, seven per cent of the sheep population, eight per cent of the cattle population—

CHAIR—I am sorry to interrupt. I will just ask you to speak up. It is a little bit hard to hear you on the line. It is very important that we hear what you are saying.

Mr Wise—I hope you do not want me to repeat any of that. All of that is listed on some of the paperwork that I have emailed down to Ms Palmer today. Overall, from talking to all the business houses, which Mr Randall may expand on later, there is a general assessment of at least a 10 per cent impact on the regional economy by that purchase. Some of the principles and lessons out of that are that historically if any commercial business, whether it be a corner shop, a rural property or whatever, sells to another commercial business then there is minimum impact on the regional community. On the other hand, if a commercial business sells to the government and the government decommissions that business then there is major impact on the regional community. That has really come forward in the experience that we have had in Bourke. What is obviously required when government is going to intervene and totally change an operation like this is an integrated regional strategy to address the economic, social, cultural and the environmental implications of any government reforms. It is my view that we need to consider intervention impacts of any government reform programs on the community.

I will just move on to the next broad heading about government programs for rural and regional affairs and transport. I have just a couple of examples. One is that the federal government through the Prime Minister has made very major headlines just before Christmas with the \$250 million local government infrastructure grants that were announced in December. Out of that Bourke will be getting \$100,000 which we must spend on infrastructure which by its very definition means that there is a depreciation factor that we are going to have to manage in our community. That \$100,000 that is generously donated by the government is only the equivalent of two years lost council rates that the shire is going to suffer as a result of the purchase of Toorale. On the one hand we have lost all that which we have to make up for. Secondly, we are going to have to pay for depreciation on whatever infrastructure we must spend on. That is one example.

Another example very simply is that on 19 December last year Bourke along with four other communities in north-western New South Wales lost their commercial air service operations. Rex Airlines just bailed out with very short notice and is no longer servicing any of those towns. It is very evident if you look over the last 150 years of our community's prosperity that it has been directly linked with whatever the current day modern transport facilities were. Obviously an air service is now one of those modern day services. One of the three reasons given by Rex for bailing out was the federal government decision to phase out the en route subsidies to some of these airlines. They are just a couple of government programs that really do have an impact.

I guess just getting back therefore to when a government is looking at an environmental reform that impacts on a whole community, I believe it is quite realistic as a starting point that an equivalent investment should be made in tandem with the local community through the local government or whoever to address the community restructuring that is needed to cope with the change that the reform intervention has caused.

Very simply then over the last six years Bourke has had a 25 per cent population drop which was the third largest of all local government areas across the whole of Australia during that census period. Thirty per cent of our population is Indigenous and certainly the percentage that are Indigenous is rising fairly quickly. I would contend very simply that if we do not commit to integrated regional strategies for secure social and economic communities for the future we are looking down the barrel of needing another Northern Territory style intervention some time in the future and I do not think that is what any of us want. That is the very reason that I am out here to try to proactively look towards building communities now. Thank you very much.

CHAIR—Mayor Lewis, do you wish to add any commentary to that opening statement?

Councillor Lewis—No, that covers things very well.

CHAIR—Mr Wise, I do not know what you manage to do in your spare time with all those boards and positions that you hold and have held, but Senator Heffernan is like the greyhound at the dogs: he is trying to bust out of the box to ask a few questions. But, very quickly, did you say that Bourke has had a 25 per cent population decrease in the last five years?

Mr Wise—In the last six years we have had a 25 per cent population decrease. The census data which was for a five-year period indicated a 4.1 per cent per annum population drop. That is the official data that was put out actually put out by DOTARS under the previous government. I think they had their logo on the publication. There are two very remote communities or local government areas in Western Australia which had slightly higher population declines over the last six years. In fact, if we went over the last seven years we could easily expect that it is even greater than a 25 per cent population drop.

CHAIR—What do you put that down to?

Mr Wise—I put it down to a variety of things. One is the extended drought. It would be worthwhile asking Trevor Randall and Andrew Lewis who have lived in this district much longer than me their opinions. But I would put it down to the extended drought, the state government reforms in water licensing where the state government introduced a cap a couple of years ago which effectively reduced the annual licensing entitlement quoted as in the order of a 67 per cent reduction in the whole valley from Mungindi to Menindee. It went from 520-odd gigalitres back to 173 gigalitres. The third factor that I would put it down to quite frankly is a loss of confidence by a lot of people in the community and a number of them that can have just said, 'I am moving on. I am getting out of this regional remote community.' Mr Randall and Mr Lewis would have other opinions, maybe.

Mr Randall—I am glad Mr Wise just mentioned a couple of the things that he mentioned. I must just repeat that I have two businesses in town that employ about 15 people. One is run by my son. The other is run by his wife, my daughter-in-law. We employ about 15 people. I started

those businesses myself in 1957. Over the years we have built them up. In recent years, in the last decade, with the help of my son who is an engineer and who has come into our Retravision store we have been able to supply electronic servicing, computers and all those sorts of things that make up the modern community. My kids are in there running this business certainly with my help.

I believe that we are talking here almost totally about Toorale and the thing that I am really annoyed about, and I think is one of the major contributors to the whole problem that we are having here in Bourke, has been the cap that has been forced on us by not just the state government but with the help of the Commonwealth government. They have reduced the local water allocation to our major industries. These are the people who have been employing hundreds of people. They have come in and, without any real feeling, have simply stolen 67 per cent of our water entitlement. I am an irrigator. I had 2,200 megalitres. I now have 600-odd megalitres.

Before we start talking about Toorale, what this did was to take the equity out of our main employers in town, Darling Farms, Back of Bourke Fruits. These were the people who were employing hundreds of people and then all of a sudden the drought hit; they lost their equity; in come the banks and several of those have now gone into liquidation. They have gone out of business. This was a crazy thing. I am just damned annoyed to think that somebody can come in and steal 70 per cent of my business and my property without any compensation or anything. This has been a major problem for Bourke. Please allow me to go on.

CHAIR—I will let you go on but it is your time. I am just reminding you of that. Please feel free if it makes you feel that we need to hear that. By all means, but it is your time.

Mr Randall—If anybody wishes to interrupt me and question me I am really quite happy to go where anybody wants me to go, but I just must go on and say that my son and daughter-in-law after the Toorale fiasco—lunacy—came to me and said, ‘Why would we want to stay in Bourke?’ At this particular point in time state governments and Commonwealth governments are doing everything to try and destroy our community. Why would we stay here? Why do we want to put our life—

CHAIR—I am sorry, but we do want to ask some questions. I understand that there is a lot of passion around it, so if we can go straight to questions you have made your feelings quite clear.

Senator HEFFERNAN—I presume you have told them all that you started your career in the days that I knew you at Hay and you progressed to Western Lands Commissioner, et cetera, so you bring a lot of expertise to the job there at Bourke.

Mr Wise—We do our best.

Senator HEFFERNAN—Mr Randall, you said that you had a 2,000 meg licence, did you?

Mr Randall—I did say that.

Senator HEFFERNAN—Was that a low-security licence?

Mr Randall—It was a B-class licence.

Senator HEFFERNAN—What sort of crops were you growing with that?

Mr Randall—We were simply growing oats, wheat—

Senator HEFFERNAN—That is all I need to know. To say that the problem is a decline in the allocations of water of course flies in the face of the overall logic of the system, which is seriously overallocated. Down our way we have lost 85 per cent of our pumping rights in some aquifers. Namoi lost up to 95 per cent. If you still had your 2,000 meg licence in the last few years you still would not have had any water, would you?

Mr Randall—In the drought years, exactly.

Senator HEFFERNAN—I do not want to be too hard-headed about it because I am very sympathetic and I will get to that in a minute. But any business plan that was built around high-security crops with low-security water was doomed to failure. That is what has gone wrong with a lot of what was at Bourke. You had high-security crops with low-security water, a sure formula for failure. I apologise for being so straight with that, but it is just a matter of fact. If you have got a response to that you might like to give it.

Mr Randall—My response is that is a matter of opinion. Can I throw another one in? The thing that really annoys us here locally at Bourke with the entire Mungindi and Menindee section is: what has happened to Queensland? Can someone please tell me what reductions happened to Cubbie?

Senator HEFFERNAN—You are talking to the right bloke.

Mr Randall—I thought I was. I have heard you a number of times and I just really wonder—

Senator HEFFERNAN—As late as today.

Mr Randall—What I am saying is: can we have fairness?

Senator HEFFERNAN—Let me say this. The Culgoa used to deliver 28 per cent of its flow to the Darling. It now delivers less than three per cent.

Mr Randall—It is polluted. I am not far from the Culgoa.

Senator HEFFERNAN—I understand that system perfectly. I understand the reason that Ballandool is for sale is because Cubbie above it has the capacity to intercept and store the water. In fact in 2003 they got half the flow that came down the Culgoa system. I think it is a disgrace. I think every politician in Queensland is gutless on both sides of politics because they will not do anything about it in the context of the state election—

Mr Randall—You are so right.

Senator HEFFERNAN—I cannot be any stronger than that. They are destroying the largest flood plain in the Murray-Darling Basin in the process. I think they should all be taken out and dispensed with because they are a complete disgrace. If those licences are issued, which includes the 4,069 megalitre overland water licence for Cubbie, there ought to be a judicial inquiry into it because I think it will be a public fraud. We have received further evidence today to say that the CSIRO study that was done did not include the draft ROP plan and its interception, which means the whole bloody thing is a farce. There should be a judicial inquiry into it because if they issue the licences and buy them back I think it is a public fraud. I cannot be any stronger than that.

But to grow high-security crops in low-security water is stupid. I have to say that we all know the Menindee Lakes evaporate more water than every pump up the river uses, so that is another problem. But as to Toorale, as I understand it—I was out through there in the 1960s—I think it is 220,000 acres roughly. I think it has about 5,000 acres of laid out irrigation. Probably half of that gets used in any year. They run about 20,000 to 30,000 sheep, depending on the season, and probably about 300,000, 400,000 or 500,000 cows. They put in a lot of banks in McCaughey's time and they have now put pipes in some of those.

My understanding is that the state national parks wanted it because they wanted a new home for feral pigs, goats and boomerangs and didgeridoos. And I have to say the whole thing is a disgrace because the Commonwealth put a fair bit of that money into it and when they agreed to put the money in not only had they not inspected it, they had not been on it. In fact only two people from a government went there and they were two people from national parks who went out there to see what goods and chattels would be included in the sale. Sure, they did air inspections, but there were no on-the-ground inspections until they went out there to see what was chucked in outside the clearing sales. Is that a fair summary of what you understand Toorale is?

Mr Wise—That is a good summary, yes.

Senator HEFFERNAN—What the dopes in government have done then—and I include to a large extent in that the dopes in the New South Wales government who said they would get themselves 8,000 megalitres depending on the water height at Louth, is it—

Mr Wise—Yes, and downstream.

Senator HEFFERNAN—There is about a similar amount on the Warrego plus two area licences which I would have thought were not due for compensation but reclamation. The old area licences were a thing of the 1960s and 1970s before they brought volumetric in, so do not ask me how they conned their way into getting recompense for those. But then the brazenness and the dumbness of the decision to do that in view of the fact that up the river there are actually about 84,000 megalitres of sleeper licences, 40,000-odd of which have now been lit up between the Dunstons and Mirage Plains, which means the water that would have gone down there is a figment of someone's imagination. And then there is the con job that occurred on the front page of the *Australian* newspaper where they had someone looking at the beautiful storage there on Toorale which was in fact just a clay pan that had a shower of rain on it. It was about an inch deep and it was made out in the front page to be storage of probably feet deep. The whole thing has been a shemozzle. Obviously there has been no thought given by the national parks and wildlife mob or anyone else to the social impacts on Bourke. I agree with everything you say,

that Bourke is in serious decline, but there are a number of reasons. Do not think that the people down here are not alert to these reasons. That is what you call a mouth full.

CHAIR—If there are no other questions from senators—

Senator HEFFERNAN—Geoff, what would be the lessons for government out of the exercise? Being a wise old Western Lands Commissioner, what lessons—

Mr Wise—I do not say government does not have a charter to be involved in reform agendas. I do not say that. But what I do believe is paramount especially in rural and regional Australia is that if government is going to be involved in any reform agenda for any one of—I do not call it the triple bottom line, I call it the quadruple bottom line—social, economic, cultural and the environment—those four bottom line principles, they need to look at the knock-on effect of the other three and redress that before they implement the reform agenda. To my mind that is where they are working with local government as an example of the whole community.

I am sure anywhere across Australia local government would be prepared to work with the Commonwealth and/or the state governments in taking a holistic view. I have simply told my mayor—and I will say it again now as he is listening—that if I tried to introduce something in this shire based on a silo principle of only looking at one component and ignoring the knock-on effects to the other components, I deserve to be attacked. If it is good enough for me to take that attitude, I believe governments should similarly look at the holistic implications and address it from that point of view. I guess that is where I have come from to this absolute ambit claim of saying: if government is going to be throwing lots of money around say water reform, as an ambit claim they should invest at least an equivalent number of dollars working with the local community such as the local government to address the fallout effect implementation of that water reform is going to have, because quite frankly the government will be paying those dollars indirectly anyway through all sorts of fallout social benefits and unemployment and the whole bit. Surely it is better to get on the front foot and take an integrated approach rather than the silo mentality kept within ministerial portfolios and just looking at the single agenda component.

Senator HEFFERNAN—Hence we have national parks who have gone off on their own. Thank you very much for that. You will be pleased to know that the lower Lachlan is pretty up the shit and Little Lake is not looking too good. You would recall Little Lake, I take it?

Mr Wise—I drove from Balranald through Ivanhoe to Cobar in a continuous dust storm with Andrew Lewis a few days ago—

Senator HEFFERNAN—Just so that you know, there is about 20,000 acres of flood country on Little Lake. A lot of the gum is dying and when you run out on the saltbush plain, the saltbush has all died as well so that is how dry it is down there.

Mr Wise—I do not think I have seen that area worse.

CHAIR—On behalf of the committee I would like to thank you for your assistance today and I wish you good luck.

Committee adjourned at 7.27 pm

