



Australian Government
Productivity Commission

PRODUCTIVITY COMMISSION

**INQUIRY INTO THE FIVE YEAR ASSESSMENT OF THE EFFECTIVENESS OF
THE MURRAY – DARLING BASIN PLAN**

DR J DOOLAN, Commissioner
MR J MADDEN, Commissioner

TRANSCRIPT OF PROCEEDINGS

AT MERCURE HOTEL MILDURA
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COMMISSIONER DOOLAN: Okay, I think we'll start. Good morning everybody, and welcome to the first of the public hearings for the Productivity Commission inquiry into the five year assessment of the effectiveness of the Murray-Darling Basin Plan.

These hearings are following release of our draft report, which occurred in August, but before we start I'd like to begin by acknowledging the traditional owners of the land on which we meet and pay my respects to their elders past and present. My name is Jane Doolan and I'm a commissioner with the Productivity Commission. My fellow commissioner is John Madden, and we're leading this inquiry.

The purpose of this round of hearings is really to facilitate public feedback and comment on the recommendations and findings that we made in our draft report. Following this hearing in Mildura we'll be also having hearings in Murray Bridge, in Shepparton, planned hearings in Goondiwindi, Sydney, Dubbo, and Canberra, and then we'll be working to finalising the report and handing it to government just before Christmas this year, having considered all the evidence that's been presented at the hearings, and the submissions that we receive in relation to the draft report.

Everybody - participants here and everybody who has registered their interest in this - will be actually sent updates of how the inquiry is going and when it is handed to government, and when it's likely to be released, which can be up to 25 parliamentary sitting days after it's been handed to government, so just for people to understand that.

Now, we do like to conduct our hearings in a reasonably informal manner, but I do remind participants that a full transcript is being taken and will be available publicly, and so for that reason we can't take comments from the floor. But at the end of the day we'll provide a brief opportunity for people to actually make additional comments to us.

Participants are not required to take an oath, but we do ask that they are truthful in their remarks, and they're also welcome to raise issues that have been raised in other people's submissions along the way.

The transcript will be made available to participants and will be on the Commission's website in a few days, and all our submissions. Our closing date was Wednesday, and they are really starting to roll in, and they are all available on our website for people to look at as well.

We have got media today. There some general rules. No broadcasting of proceedings is allowed, no taping of hearings is - only with permission. Finally, in terms of the Commonwealth's Occupational Health and Safety requirements, in the event of an emergency we exit out the back, we turn right, and we assemble in the car park.

I think we're almost ready to start. Where we have participants, we'd ask that you spend five or ten minutes opening, and then there'll be some discussion as well. I'd like to welcome our first participant, Barrie MacMillan. Barry, if you wouldn't mind coming to the table, and if you would start by just giving us your name and any affiliation, and then that's just for the record.

MR MacMILLAN: Good morning. Thank you very much. Name is Barrie MacMillan, resident at Gol Gol, just over the river from Mildura. We also have a small recreation property on the Darling River north of - a bit north of Wentworth. I'm here as - purely as

an individual, not really associated with any - any group. My background is, I've been retired for some years and spent most of my working career with Mildura Co-operative Fruit Company, which was a grower's owned cooperative food processor, and - and also included in that was as a director of Australian Dried Fruit sales, which was later named Sunbeam Foods.

I was a director of that for 26 years, so there's association with the food processing and the - and marketing of the food product, both in domestic and export markets, again both in bulk and also consumer packs, and I've - since then I've - since retirement I've been on boards of regional water authorities, urban and rural, catchment management authorities in Victoria and New South Wales, and also on the board of Murray-Darling Wetlands Working Group, which I finished - my term finished last year, so - but I have no - none of those positions at the moment, and I don't intend to.

COMMISSIONER DOOLAN: Okay. All right, do you want to start with your remarks?

MR MacMILLAN: Yes. Well, I've - my submission is not finished yet. I've been granted an extension by the Commission to next Wednesday, one week, which I appreciate, but I've selected about five points that I'd - I'd like to discuss with the Commission. So, do you want me to start those now?

COMMISSIONER DOOLAN: Yes, absolutely.

MR MacMILLAN: Okay. I've scribbled a few notes here for each one. If I could start with those.

COMMISSIONER DOOLAN: Sure.

MR MacMILLAN: The first one relates to the significant practical progress outlined by the Commission, and where new arrangements - new management arrangements are in place in the Southern Basin where measuring in the form of appropriate water use, metering, and timely collection of water extractions are available for water management. So, there's good information available in the Southern Basin for, you know, the various managers to manage the river.

In the Northern Basin river regulation issues, measuring of water take, floodplain harvesting, and management of environmental water are far from satisfactory. This is causing increasing irrigator concern in our region here, and the future effect of reduced flows from the Darling and Murrumbidgee rivers, combining with flow constraints of the Barmah Choke, that will lead to increased risks of water shortages, and I'm requesting the Commission should consider qualifying their key point to, you know, take account of those - those conditions, certainly the Northern Basin, you know, lack of information in terms of metering, et cetera. Any questions?

COMMISSIONER MADDEN: I think make all the points, and then we'll come back and discuss.

COMMISSIONER DOOLAN: Yes, make all your points and we'll come back.

MR MacMILLAN: Righto, okay. The water resource - the next item was water resource plans, and I had the view that the water resource deadline should be extended beyond 2019, as the Commissioner said, in cases where plan quality is at risk. It is unacceptable for unsatisfactory old rules to be rolled into new plans. The Murray-Darling Basin Authority should not be seen to embracing weaknesses and issues as their own. This is particularly evident in the Northern Basin sustainable outcomes, in Northern Basin. Sustainable outcomes must be an absolute priority to expediency.

It should be required that the management of the water plans include the objective of ensuring the sustainability of basin waterways. That is a primary objective of the Water Act. Waterways are functioning systems, and more Basin States and the MDBA failed to openly convince the community that this objective is a priority, the more community confidence is undermined. I just find that the objects - in terms of the objects clearly stated in the Water Act, in my view don't clearly transmit to objectives in the - you know, in the likes of the plans or the Basin States activities, and I - you know, I can only look at things on the surface really, but has the Commission looked at the - you know, the application of the objectives of the Water Act into the review and the implementation of the plan so far?

COMMISSIONER DOOLAN: Our scope is really the plan as it stands.

MR MacMILLAN: Yes.

COMMISSIONER DOOLAN: So - and the water resource plans probably they stand, and currently there's not that many water resource plans to actually look at.

MR MacMILLAN: No. Okay.

COMMISSIONER MADDEN: Well, they're also not enforced, so that is something where we're coming back in terms of over time, ever five years.

MR MacMILLAN: Yes.

COMMISSIONER MADDEN: So, effectiveness and efficiency of implementation of the plan will obviously look at what the objectives of the plan are. So, intrinsically yes, but given the water resource plans, actually in force from 1 July next year. So we are, in a sense, judging the process and the development of those, which was the focus of our review.

MR MacMILLAN: Okay.

COMMISSIONER MADDEN: So I think we keep going through, and we'll come back to those discussion points.

MR MacMILLAN: Can I just extend a bit more on that?

COMMISSIONER MADDEN: Yes.

MR MacMILLAN: I would have thought, on the surface, that in terms of risk management the likes of the MDBA and the Basin States would have, in their governance, you know, reference to risk management, and I thought that, you know, the compliance with Australian law would have been a part of risk management, certainly if it's a very important part, in my view, of governance generally, that, you know, compliance with, you know, on legal matters is a risk. It risks, obviously, you know, transgressing the law and also risks reputational damage to the perpetrator. So, that - that's my own view on that.

COMMISSIONER DOOLAN: No, no, I take your point absolutely, but the process for water resource plan is to go through an accreditation process, which is - advice is provided by the Authority to the Minister, and that's still occurring. So there's, at this point in time, only one plan that's been completed and endorsed and accredited.

MR MacMILLAN: Yes. I understand that, but I was trying to make the point that the - you know, does that - in your review, say the MDBA's implementation activities, you know, do you look at that risk management issue in compliance with the Water Act? You know, I would have thought that in the MDBA's risk management would be an item called "Compliance with Australian law".

COMMISSIONER DOOLAN: Well, yes, they have a compliance unit.

MR MacMILLAN: Yes.

COMMISSIONER DOOLAN: And we believe that that is definitely considered within their processes, yes.

MR MacMILLAN: Okay. Right, okay, I won't - that's as much as I can say on that, yes.

COMMISSIONER DOOLAN: Sorry.

MR MacMILLAN: I guess this is - in my previous submissions to the - you know, the Commission and also the Royal Commission - - -

COMMISSIONER DOOLAN: Yes.

MR MacMILLAN: I suppose I've tried to highlight the need for compliance to the objects of the Water Act and also the - you know, the Basin Plan, and you're satisfied you've looked at the object, you know, the compliance of the object in the - - -

COMMISSIONER DOOLAN: We've concentrated fully on the Basin Plan.

MR MacMILLAN: Yes.

COMMISSIONER DOOLAN: Because it's a legal instrument under the Water Act.

MR MacMILLAN: Yes, I understand. I understand, yes.

COMMISSIONER DOOLAN: Yes.

MR MacMILLAN: Yes. I guess the water resources plan process, the total processing, yes, to be raises again the issue of jurisdiction, and I guess on of the observations I make is that one object of this review will be to - and it is; I'm sure it's built into it, you know, with the suggestions you've made, of making the focus on the jurisdiction of the basin away from the jurisdiction of the states, is one of the - the way I read part. You know, to get the - we'll talk of this later, but the - obtain a recommitment and review at high level, you know, COAG level or whatever it's called, at - to a - for the states to recommit to, you know, the objectives of the Basin Plan and the further implementation of it. Very good suggestion, I think.

And I think that the - what I hear about the preparation of the water resources plan, this constraint, even on the various regions with their plans, sharing plans, in even, you know, talking to - communicating with each other. So to me that's another, you know, breakdown in jurisdiction away from the need to focus on the jurisdiction of the Basin Plan, because the - you know, rivers don't have no borders. They don't know about borders, obviously.

So I think that's another - there's, you know - I think it's the recommendation of the structural change that the Commission has made is very good. In fact I think the whole - I should have mentioned at the start, I think the Commission is to be commended on the draft report for the comprehensive assessment, and also the comprehensive recommendations, one of which is - major one is the restructuring and the recommitment by the Basin States to, you know, better, more effective implementation.

The next one is the basin - (indistinct) the Basin Officials Committee to take on management and authority of the risks assessment process into the future. I'll just go back to my earlier remarks that, you know, obviously risk management is a top priority in good management, absolute top priority, and I really don't know much about the Basin Officials Committee, but I'm just giving my view, that the risk management, in the cases where - well, in this case, should be taken at the - should be taken to the highest level, whether it's COAG or whatever. It should - the highest level possible, because I think it's just such an important issue in any organisation, but particularly here, where I think we only have to look at the Matthews report and your own findings to see that there's plenty of indicators that would suggest the need for change and improvement. So I'm just making the view that, you know, this role of managing that be taken to the highest level of state and federal government.

COMMISSIONER DOOLAN: Okay. All right.

MR MacMILLAN: You mentioned, John, the - a further - is there a further five year review set for you to do after this one, or?

COMMISSIONER DOOLAN: Yes.

COMMISSIONER MADDEN: Yes there is. So - - -

COMMISSIONER DOOLAN: It's to occur on a five-yearly cycle.

MR MacMILLAN: Okay.

COMMISSIONER DOOLAN: So the next one in 2023.

MR MacMILLAN: Yes, which - I didn't - yes, I wasn't aware of that - should have been. My view, that it would be preferable to have another review in three to four years, because it's getting - you know, to go beyond that much is getting close to 2024 and '26. You know, I think the Commission's view of a stitch in time, that the - a measurement - in my view a measurement would be preferable, or at least to be considered. Now, I don't know whether your terms allow for that, that like - to make a recommendation when you're involved, but I would think it'd be far more appropriate to have it earlier than five years - well, it's pretty obviously really, isn't it - so as to allow an assessment, the measuring of it and evaluation, and some more time to - - -

COMMISSIONER MADDEN: So, just so you know, that's set in legislation. The very five years, it's set.

COMMISSIONER DOOLAN: It's in the Water Act.

COMMISSIONER MADDEN: It's actually in the Water Act, for that review to occur.

MR MacMILLAN: Is it? Righto.

COMMISSIONER MADDEN: So that's a significant change and not under our influence, or it's not our decision to do that.

MR MacMILLAN: Okay, I'm still - can I still have it recorded?

COMMISSIONER DOOLAN: Yes of course, naturally.

MR MacMILLAN: Yes, okay. Righto. I'd like it still recorded that I thought that was just generally, you know, good management.

COMMISSIONER DOOLAN: Yes.

COMMISSIONER MADDEN: Yes.

MR MacMILLAN: That it be held a bit, you know, halfway to 2024 or whatever.

COMMISSIONER DOOLAN: Just for your information, on the way the Murray-Darling Basin Authority will conduct some evaluations in the next - there's two before 2026. It's just - - -

MR MacMILLAN: You mean internally?

COMMISSIONER DOOLAN: Yes.

MR MacMILLAN: Yes, well, I think we see the value of an external independent review in the form that we've got now in the draft report. Yes.

COMMISSIONER DOOLAN: Fair enough. We note your comments.

MR MacMILLAN: I'm, yes, less than impressed, yes. The last one really is - which I've mentioned in previous submissions, is production and sustainable environmental conditions, and the fact that, you know, Australia has a very good clean and green reputation it's held for decades, really, in the, both domestic, but particularly on the export market.

I also notice in the Water Act there's this provision there that the - to maximise net economic returns from the use of water, and I'm associating that with - or I'm associating this with that in terms of the need - well, the market demand - increasing market demand for, you know, food grown - food and fodder grown in sustainable environmental conditions, and that increasingly is incorporating - the general environment is also looked at, not just the environment on the farm but the environment, you know, generally. There's a stewardship issue, really. That's becoming an increasing demand in world markets, and, you know, the sustainable rivers are very much a part of that, you know, the stewardship of the rivers, and, you know - yes, and I'll - - -

COMMISSIONER DOOLAN: Okay.

MR MacMILLAN: I'll also mention, in terms of support for that there's - I've come across a farewell speech by David Crombie, National Farmers' Federation, when he retired, and he mentioned those items in several points during his farewell address, and also the - even my own, in a minor way, I was, in my work time, back 1999, I think it was, the - I convened a letter to the Murray-Darling Basin Commission, as it was then, relating to the blue-green algae threat that was around that area. The threat to the marketplace of their - of those - you know, that food, processed food, the threat that your blue-green algae, you know, toxic bloom, which Commissioner Doolan would remember, being an authority at that time on blue-green algae, and the wineries and the food processors in our region were all prepared to sign that and send it to the Commission.

COMMISSIONER DOOLAN: Okay, so can I just follow up with a couple of questions?

COMMISSIONER MADDEN: Yes. Probably just so you - I'd be prepared - I'd like to talk a little bit about that governance in the MDBA a little bit more, and obviously a little bit about the compliance and water resource plans. So a few questions there.

COMMISSIONER DOOLAN: Yes.

COMMISSIONER MADDEN: Are they the areas that - - -

COMMISSIONER DOOLAN: Connectedness of water resource plans, yes.

COMMISSIONER MADDEN: Yes.

COMMISSIONER DOOLAN: Yes. So, just follow up a couple of your comments in terms of the water resource plans to start with, if that's okay. You mentioned that they're actually being undertaken and they're not actually connecting through. Is that right?

MR MacMILLAN: I'm just going on what I read, you know, various reports over recent times.

COMMISSIONER DOOLAN: Okay, yes.

MR MacMILLAN: That there - you know, there's a - seems to be a process of disconnection of those regions.

COMMISSIONER DOOLAN: Yes.

MR MacMILLAN: In not being able to - not, you know, being authorised to discuss amongst themselves on a - you know, matter of river health and, you know, extractions and so on, whereas, you know, the - obviously we all realise the river's a functioning thing and it needs to flow right through - right through its length.

COMMISSIONER DOOLAN: Yes.

MR MacMILLAN: And to have important plans have a component of that separation I think is against the - - -

COMMISSIONER DOOLAN: Okay.

MR MacMILLAN: Yes, that's - yes. The others here would know far more about those - preparation of those plans than me, but I'm just going on the - what I read.

COMMISSIONER DOOLAN: Okay.

COMMISSIONER MADDEN: We might hear a little bit about that later.

UNIDENTIFIED SPEAKER: Yes.

COMMISSIONER MADDEN: But from your perspective, is that then a matter of not having the forums inclusive and modelling available for people, or is it actually something in terms of the - - -

MR MacMILLAN: I don't know to that - I don't know to that depth. No. You're saying in - can you repeat that?

COMMISSIONER MADDEN: Again, we're looking for solutions and recommendations on these things.

MR MacMILLAN: Yes.

COMMISSIONER MADDEN: So, I know we have some people from the Lower Darling, which will probably talk about this issue, but I guess even in perspective on history on the Murray, how you actually deal with that issue, I mean, there's always, except for at the very bottom, someone further down. So, the Murrumbidgee flows into, obviously, the Murray. In the past have you known that there's been discussions when the Murrumbidgee are doing their plan, or what the impacts are? I'm just trying to think of what actually works in terms of (indistinct) information.

MR MacMILLAN: Yes, I'm not really aware of that, John. I'm just reacting to what I've read.

COMMISSIONER MADDEN: Yes.

MR MacMILLAN: Yes, and - - -

COMMISSIONER MADDEN: So, I guess I might just, before we go on to the more governance issues, just in terms of compliance, you mentioned the Murrumbidgee there as well and those risks. So, from your perspective, the recent announcements with compliance compact - I mean, you've not got - given that we've got, I think, about eight different reports that were done on compliance.

COMMISSIONER DOOLAN: Investigations.

COMMISSIONER MADDEN: And, in New South Wales, major reforms, is it a matter of - and in our report. We actually said, look, there's eight different reports going on. For us to go into this area would be - I don't think - well, we thought, not a useful expenditure of our effort, and we could come back in 2023 and look at the effectiveness of those processes.

Is there anything that's done to date that doesn't give you confidence that that is an issue that's actually being addressed in the north? Is there a weakness that you see, or is it - again, maybe it's the lack of independent assessment? I'm just wondering, again, over the next five years what you would actually like to see from the community down here to give assurance that there are changes.

MR MacMILLAN: I don't know enough about the process. I'm mainly reacting there to talking to people, and it's a widespread concern, in my view, in this region. I don't know enough about the various reports coming out and so on. I'm really reacting to the community.

COMMISSIONER MADDEN: Concern and about it, yes.

MR MacMILLAN: What I'm hearing, and it's quite widespread and strong, yes.

COMMISSIONER MADDEN: Yes.

COMMISSIONER DOOLAN: Yes, I suppose that's - governments have made a number of commitments in the last, probably, six to eight months, and from what we could tell talking to communities, if there was confidence those commitments were met, that would probably fix the problem, but the issue is, at the moment, whether they're going to be met or not, and - - -

MR MacMILLAN: That's clearly my view.

COMMISSIONER DOOLAN: Yes. Yes, okay. So, again, it's that message that we've received. All right.

COMMISSIONER MADDEN: Just to move on to governance.

COMMISSIONER DOOLAN: Go.

COMMISSIONER MADDEN: So, the Act and the setting up of the Murray-Darling Basin Authority in itself was meant to bring an independent regulator and a voice in terms of assessing water resource plans, so they have various roles - SDL compliance and the like - but then you've talked about the water resource plans and compliance, and a number of issues, I guess, with some trepidation, that that actually is in hand, and that risk are being managed. Then, supporting that, leading on to the governance reviews, what - in terms of that kind of governance area, is it separating out the regulator, I guess, what's concerning people as far as you know, and have talked with about how the Authority is positioned at the moment with its roles?

I mean, is it clear - I'm not trying to lead you too much, but I'm just wondering what the concerns you hear, and again a little bit more about why you would support that separation, and do you think that would actually assist with some of the concerns that, are risks being addressed?

MR MacMILLAN: I wouldn't - in terms of - there's a lot of distrust in the parts of the community, you know, particularly with the Northern Basin area, and I know we look - we have to look, you know, Basin-wide here. Could I just go back to the - there's recommendations by the Commission to - get - you know, get the Basin States to reconnect to, you know, supporting the plan implementation - better implementation of the plan, and then to - and another one, is to separate - because of the conflict of interest is to separate the implementation - this is the Murray-Darling Basin, I'm sorry.

COMMISSIONER MADDEN: Yes.

MR MacMILLAN: The implementation away from the regulation side of it, which is fair enough - no, very good, not fair enough - as a principle. I suppose one concern, and this would be more mine than what I'm hearing from the community, is that the - I guess five

years of implementation, it creates a culture in any organisation, and the separation of the regulatory side of it leads - obviously leads the - I presume this is what you have in mind. Anyhow, it leaves the implementation with the Authority, and what measures - I know the Commission is only - recommend - I presume the Commission would only recommend the structural side of it, but then I'm going, you know, what sort of assurance would the community have that the ongoing implementation practices of the MDBA are coming under, what will we say, scrutiny or - yes, scrutiny, so as to pick up on the recommendations that the Commission has made, for better, you know - you've come out and said words like "There's a need to resort to good management". You know, that's really strong stuff, and totally agree.

COMMISSIONER DOOLAN: Yes. So really - - -

MR MacMILLAN: So how do we sustain good management if the implementation is, you know, obviously still there - it needs to be still there.

COMMISSIONER DOOLAN: Yes.

MR MacMILLAN: But in terms of monitoring it.

COMMISSIONER DOOLAN: So it's the checks and balances.

MR MacMILLAN: Of managing that.

COMMISSIONER DOOLAN: Yes.

MR MacMILLAN: And I guess that should come down from the - as COAG or something, shouldn't it, should like - - -

COMMISSIONER DOOLAN: The Ministerial Council, absolutely.

MR MacMILLAN: The Ministerial Council, yes. Yes.

COMMISSIONER DOOLAN: Yes, with the regulator actually keeping regular.

MR MacMILLAN: Yes.

COMMISSIONER DOOLAN: And transparent and open public tabs on what's happening.

MR MacMILLAN: Yes.

COMMISSIONER DOOLAN: Yes.

MR MacMILLAN: I haven't quite answered your question, John, but I - it's really a personal - that's a personal - I haven't sort of gathered it around the community. Do you want to ask - - -

COMMISSIONER MADDEN: Well, I guess - and a couple of your comments about calling for that independent review, and this is something we've seen - recognised with - as you can tell by our draft recommendation about this. It's not just a conflict, it's the dual roles that the Authority has that they're implementing, and then some cases checking, but then having to be a partner with some people, but then having to check. So with supply of projects, for example. So, just some of your comments, I guess, maybe betrayed a concern that the Authority isn't able to do an independent review of water resource plans and the like.

MR MacMILLAN: Well just on principle. Yes, I think it's conflicted, isn't it?

COMMISSIONER DOOLAN: Well, we believe so, yes.

MR MacMILLAN: And I think there's enough - I - you know, to me there's enough indicators in the likes of the, you know, the Matthews report, and certainly yours, which is, you know, far more comprehensive, you know, to indicate that there's a lot of rectification needed. So, you know, that even more, if you like, needs an independent - yes, sort, you know, overview.

COMMISSIONER DOOLAN: Okay.

COMMISSIONER MADDEN: Okay.

COMMISSIONER DOOLAN: Okay.

MR MacMILLAN: Does that cover it?

COMMISSIONER DOOLAN: Yes. No, no, that's clear. No, that's quite clear. I think that's us, really. Are there any more points?

MR MacMILLAN: No, that's fine, thank you.

COMMISSIONER DOOLAN: Okay. Well, thank you very much, Barrie.

MR MacMILLAN: Thank you for the opportunity. Thanks for coming to Mildura.

COMMISSIONER DOOLAN: No, thank you. We look forward to your submissions. Probably call on the next group, which is Mr Alan Whyte and Nerida Healy from South West Water Users group. So if you wouldn't mind just, again, your name and affiliation for the record, please.

MS HEALY: Nerida Healy, South West Water Users.

MR WHYTE: Yes. My name is Alan Whyte. I've got a property on the Darling River about halfway between Wentworth and Pooncarie. I come here today wearing a hat as chair of South West Water users, which is the local water user group downstream of Menindee

on the New South Wales side of the Murray. I should also note that I am frequently running into problems of wearing multiple hats, and both Ned and myself and involved with the Lower Darling Horticulture Group, which is Rachel's address after us. The simplest thing when you wear multiple hats is to be upfront about it first, so - to do that. Thank you for the opportunity to be here.

COMMISSIONER DOOLAN: Okay. Well, would you like to give us some introductory remarks and - - -

MR WHYTE: I might just go through the list of things.

MS HEALY: Yes.

MR WHYTE: And Ned in particular has some fairly direct issues.

COMMISSIONER DOOLAN: Sure.

MR WHYTE: Some of you will probably find some of the things she'll be handing you a little confronting, but it will, I think, indicate the extent of the mess that we have.

COMMISSIONER DOOLAN: Okay.

MR WHYTE: We have put a submission in, which I think has been received. Four issues - you've touched on some of them already: Some fairly major issues around water sharing plans, water resource plans; the Menindee Lakes project has a very large supply measure under the Basin Plan; water quality, which Ned has far more direct experience with than I do, and a more generic issue about the impacts of the Basin Plan on water reliability. In our submission we've gone through those things. I don't see any point reading it - going through it word for word.

COMMISSIONER DOOLAN: Sure.

MR WHYTE: And I imagine you guys have read it.

COMMISSIONER DOOLAN: Yes.

MR WHYTE: And some of the discussions with Barrie - I think we'll probably follow on from there.

COMMISSIONER DOOLAN: Okay.

MR WHYTE: Ned.

MS HEALY: Yes. So I'm from a grazing property north of - between Menindee and Pooncarie. We have - we also have a section of table grapes on that property. Since the implantation of the Murray-Darling Basin Plan my life and that of my family has been negatively impacted in almost every way possible. The health of my children has been

significantly impacted. Our table grape business has been decimated, and our environment has been sacrificed, all the things that the Basin Plan was supposed to protect.

My children can no longer run under a sprinkler in the heat of summer. They can't - I worry, when they go fishing I - it's never-ending for me at the moment. We've relied on - I built my house in 2009 and until 2015 we relied on our household water being delivered via the Lower Darling. Since 2015 - in 2015/16 and now again in 2018, we're relying on the Wentworth Shire to cart potable water to our house for use.

I feel that the Murray-Darling Basin Authority, the Federal Government, and the New South Wales Government have shown no regard to the impact that it's actually having on people's lives, and I have a concern that there is no targets or plan in place to improve or tackle the water quality in the Lower Darling. If I can pass you - I have put some notes there, so I won't read it word for word, but in 2015 my children, with the low flows happening down the Darling River, contracted a staph infection. We ended up in Broken Hill Hospital for five days following a week of in and out of town, and that in and out of town for me, or in and out of doctors and hospitals, is actually either 165 kilometres one way or 250 kilometres the other way to get to Broken Hill. So those pictures will show you what the impact was on my child.

I also had - you can see - I switched to a different - my second son, Mark, he suffered repeated infections for five months, and I - until the point where he became resistant to the antibiotics, and the advice from the doctors was that he would not - they would not start a new antibiotic until I got clean water, because there was no point, and that was the first trigger for getting carted water in 2015.

Upon getting carted water we did a full sterilisation of our house, and I mean I cleaned the walls, the couches, the entire lot with clean water, and the entire family went on a course of antibiotics to try and break the infections. That did, that fixed it, until my children played under a hose outside, and we hadn't - getting carted water, you get the carted water inside the house and you treat it like gold. Outside, where it goes on the garden, we use the river, and - which then again prompted a trip to town on the advice of the Flying Doctors and a full course for the family to prevent it happening - prevent such an outbreak, and we now - everything with inside our yard now has to be either from our emergency boar that we but down, or from carted water from town.

Carted water is not this easy, everyday solution. It actually requires you to have brand new tanks that are clean, so it came at a significant cost. Just the tanks alone cost me \$7,500 to bath the kids. There has never been - plus new pressure pumps and things like that. I have a new house, so I didn't have to change my plumbing, but for others that's been a cost too. There has never been an acknowledgement or any offer of assistance in any way.

There's other children in the area this year who have ended up with Giardia infections, so similar to a severe gastro. They did have the water tested at the time and it was confirmed that that was the source of the infection. I still have problems with - skin problems with my son, Mark, who suffers hypopigmentation, although we've been sort of given three possibilities: that that is a fungal infection from the water now, apparently; a leftover

residual effect from having so much staph infections when he was younger; or it's just a genetic thing in his body, and we haven't had that - no one's been able to confirm that as such.

It's our - as I said earlier - our table grape property which we'll actual - we'll cover with Lower Darling Horticultural Group. Our business has been pretty much strangled, and as I say, we now end up with just little puddles of water in our environment, and if you were to look at the water that sits out the front of my house at the moment I can guarantee you wouldn't be touching it. There's also cases where it's becoming a problem for workers - people who have workers, because you can get carted water to your house at a significant cost to yourself, but how can you justify putting - setting up that infrastructure in the likes of a shearer's quarters or things like that? So, it's happened in 2015/16, and now again in 2018 that people actually pay their workers to travel to Pooncarie to have a shower because they don't want the risk of infection.

There's a family across the river from us who have had to - who wanted a volunteer teacher to help with School of the Air but had to pull out of it because she said to me "How can I expect someone else to shower in that water, especially a volunteer?" So yes, I have - as I said before, I have ongoing concerns that the Murray-Darling Basin Plan is not achieving and not looking to achieve quality of water in the Lower Darling.

COMMISSIONER DOOLAN: So, can we follow up then? The instrument that's meant to deal with these issues is the water sharing plan - the Water Resource Plan. What's happening with those plans, from your perspective?

MR WHYTE: I guess just a little bit of background to start with, with the structures of those things.

COMMISSIONER DOOLAN: Yes.

MR WHYTE: The water sharing plans in New South Wales are very localised. There'll be one - you know, one for the Gyndir, there'll be one for the Border Rivers, there's one for the Namoi, there's one for the Barwon-Darling and so on, and there's one for the Lower Darling. As is mentioned in the submission, and probably noted in your comments to Barrie previously, there's a fundamental problem there, that those groups are literally now allowed to even talk to each other, and the current state in New South Wales is that there is a categorical refusal to have any concept of a whole of river approach to managing the Darling River.

Now, in terms of the water quality issues that Ned's referring to, and I suspect you probably found some of those photos fairly stark, it doesn't rate a mention. One of the horrible things that's been obvious in the last few years is that there's no one anywhere who has to be held responsible for water quality issues, and the New South Wales Department of Industry brackets water, which is their - it's not our problem. You'd think it might be the EPA. No, not their problem. MDBA? No, not their problem. No one anywhere takes these issues seriously.

Now, I would have thought that, as a basic assumption, the Basin Plan should have been thinking about things like this, but unfortunately, when you read into the fine detail of these things, it doesn't actually require anything to be done about it at all. There's an interesting little bit of jargon where things have to be "have regard to", and you may have noticed that, and then you read the fine print on the paperwork from within the MDBA, that there's actually three categories of "have regard to", A, B, and C, and the things related to water quality, the things related to river connectivity, the things related to Aboriginal cultural, you know, water and value as a river, they're all A class "have regards to", and the Basin Plan wording effectively says all they've got to do is turn up, make it look as if their eyes are open when someone's talking, and that's it.

Now, that's a fundamental flaw in the structure of the Basin Plan. The key issues around the mess in the bottom of the Darling River, connectivity along the river, water quality, the Aboriginal guys who've got absolutely valid concerns about what's happening, they're all in the lowest priority, and there is no requirement under the Basin Plan for anything to be done about them at all, other than to allow people to come and talk to - about them, and then all you've got to really do is make it look as if your eyes are open. Now, that's the mess we're in. That's why Ned's kids are like that - they've got those problems.

And the problem that I see in terms of the water sharing plans and the water resource plans, where you'd think these things would be covered, there is still within New South Wales a categorical refusal for - to have any whole of river concept, and the reality is, the Murray-Darling Basin Authority is not going to do anything different. You know, there's been no sign at all that they have any intention of tackling these issues, and again, indeed, when you word - go into the fine print of the Basin Plan, the MDBA actually can't overrule state water sharing plan as long as the states submit it. They can submit something which is a joke, and that's where we're headed to now, but as long as they submit it, it's effectively got to be accepted.

Now, again, it's not the perception, but when you start looking into the - to the details and the structures here, nothing is happening about these things, because when you read the fine print no one has to do anything about it, and I would have thought that's fundamentally wrong.

COMMISSIONER DOOLAN: So again, I just - the water sharing plans and the Water Resource Plan, the - as you say, the structures under the Basin Plan, they are required to have a water quality plan as part of them. I understand that "have regard to" - I agree that's what they have to do. Nevertheless, each water resource plan does have to produce a water quality plan as part of it. Have you been involved? Has the New South Wales Government set up anything to help develop that?

MR WHYTE: I've heard verbal reference to it. In terms of the structures around the water sharing plan process in New South Wales, there are a group called the SAPs - Stakeholder Advisory Panels. From the Lower Darling, Rachel Strachan is the main delegate. I'm the alternate, which means Rachel tends to go to all the things; I go to some of them. So I've had exposure to those things.

The issues around water quality, and I'd suggest also the extreme event policy, get very brief verbal mentions. But realistically, if you're going to achieve anything on those you actually have to have the rules and the operating system structured in to what will become the Water Resource Plan, which is supposed to cover the whole river, and to do that you need those concepts incorporated into what are initially water sharing plans.

Now, the unfortunate reality is that in New South Wales there is a categorical refusal to do that. Now, I see that direct in the face - Rachel does too - and why does that happen? I hate to have to say it, but I'm going to suggest that the principle determinate of water policy in New South Wales is corporate cotton upstream. That's what the cause is. They have influence - far more influence than Ned has, with the problems with her kids. That's what determines the New South Wales Government approach, and they really like a system where they don't have to worry about anything downstream. They just take the water out upstream. Realistically that's what's happening. It's sad, it's sickening.

I shouldn't have to be here in 2018. Ned shouldn't have to be here in 2018, making comments like that, but that's the reality. It's what Rachel sees, it's what I see when we go to those forums. Effectively the guys up north really like a system where they don't have to worry about anything downstream, and they get away with it, and there's every indication the MDBA is going to let them get away with it too.

COMMISSIONER MADDEN: At the forum that we had - and I know you've got a long history in water sharing plan development.

MR WHYTE: Yes.

COMMISSIONER MADDEN: And that's the key instrument to me. The Water Resource Plan goes over the top, but it's still, as you say, got to be given effect in New South Wales through the water sharing plans. We've heard that New South Wales has a more open approach et cetera, but my view - I mean, you talk about the whole of river concept and the like, but for me the fundamentals are consultation, modelling, robust discussion of outcomes.

MR WHYTE: Absolutely.

COMMISSIONER MADDEN: Ability to actually interrogate over time. I mean, from New South Wales' perspective and the Authority, we've heard that New South Wales has changed its approach, but I just want to get into what are actual - the deficiencies in that approach are. So, we've got a broad recommendation, these need to be done correctly and given time, and by that we mean six months, a year, not five years of putting it off. For our recommendation in a sense, and what I think you're asking, is to be stronger in this area on things to be considered, but it's also how they're considered.

So I'm just wondering what the key changes that you would like to see over the next year or so - because we can talk about the outcomes and that it's failing, but it's also - given your history, it would be good to have on record what are the steps that should be expected, and maximise the ability to resolve it.

MR WHYTE: The absolutely key outcome - the key outcome in terms of, if we're going to tackle seriously the issues that Ned's, you know, very well described and all of the issues that the Aboriginal guys have about how their river is being run, all of which are valid, the fundamental need is for the rule systems and the structures to be there to be on a whole of river basis.

Now, if you went to any other river in the basin you don't have a series of sectionalised silos that don't talk to each other, yet that's exactly what is the case currently today in New South Wales, so that if you're going to make the progress that I would have thought everyone here probably thinks should be made, we have to break down those sectionalised silos and we have to have an approach to running the river as a whole river.

You did make mention earlier of the Murrumbidgee as an example. The Murrumbidgee has operating rules under its water sharing plans that link into the Murray, and those rules, like all of the rules, aren't perfect, but at least there's a structure and there's a system. That is completely lacking on the Darling River. It starts in Queensland and finishes at Wentworth, and there isn't anywhere a rule system that goes along the whole river. Now, why on earth have I got to make comments like that in 2018? I can't explain it, and I would have thought that, if we're going to make progress on that, that's the key issue. Get that principle right, then the detail will fall into place.

Now, in terms of what's New South - what is New South Wales doing about extreme events or water quality stuff, all I've heard to date is very simplistic rhetoric. I've yet to see any sign of any commitment to do anything at all on any of them. As an example, and I'd suggest that the water quality and the extreme event policies are inevitably going to be interrelated in terms of how they work, the most recent meeting of the Stakeholder Assessment Panel, which was at the Coomealla Golf Club about two months ago - I attended; Rachel did as well - they made some reference "Oh, we might have a bucket of water to be able to start the river again after it's dried up". Now, that's a mighty fine idea, but how is that linked into where the water comes from, which is upstream, and the answer is "No, it isn't, and it's not going to happen, and - but we'll still have a tag for something here".

Those sort of concepts can be sound as a concept, but only if you actually factor it in to the whole river. Now, that's - that was two months ago in Coomealla, which is just the other side of the river here. So, in terms of what have we seen so far from the New South Wales Government, it's a little bit of rhetoric occasionally and absolutely no substance at all.

COMMISSIONER DOOLAN: Are there any expectations and timelines where you would see something?

MR WHYTE: We're sort of running out of time. I mean, the water sharing plans have to be converted to water resource plans I think end of June next year. We're fast approaching the silly season where everything's going to shut down. We've got elections, State and Federal, and quite likely the homework has not been done now. Now, given that the deficiencies I'm talking about are structural and major, they're not just a little thing over

there that should be tweaked, realistically this isn't going to be fixed by the time the water resource plans are created end of June next year. So, I don't think they can do it, and at the moment I'm not sure there's even a will to do it.

COMMISSIONER MADDEN: So, a couple of questions. I'm just going to ask about the SAPs process, and then the Coomealla meeting. The Murray-Darling Basin Authority, are they at those meetings, and what kind of role will they play in discussions, if any?

MR WHYTE: The MDBA? I think the answer is yes, they would have someone there. Certainly the Commonwealth Environmental Water Holder has people there. It's a probably a question where Rachel would know more detail than I would.

COMMISSIONER MADDEN: Okay.

MR WHYTE: They're there. Realistically, do they understand the extent of these issues? No, they don't. You know, it's - you know, things look very simple when you're sitting in Canberra looking at a piece of paper. The real world is rather ugly by comparison, and I don't think - - -

COMMISSIONER MADDEN: I'm just trying to - and maybe it's a preparation for Rachel when you get up.

MR WHYTE: Yes.

COMMISSIONER MADDEN: But it's just I'm trying to look at that interaction between what you say it's doing and then the Authority coming in and accrediting plans later, and what they're - who's providing information.

MR WHYTE: Yes, one of the fundamental problems we have is that - and it's mentioned briefly in the submission, and this is where the MDBA becomes a bit conflicted at times - is that the Lower Darling River becomes treated, and the Menindee becomes treated, as a milk cow to supply water in other places. You'll have a - you have large volumes of water licences which have been bought, effectively, by CEWH and also by a few other organisations. (Indistinct) come from the Murray and from the Goulburn. "Oh dear, we can't get the water through the choke", which is a physical (indistinct). "Oh, we'll pull it out of Menindee", and they do that, and that's one of the contributors to the sort of - the mess that's there.

Now, that's I would suggest, a fundamental example of a very great conflict for the MDBA and for the CEWH in that they have obligations to meet flow targets as part of the Basin Plan. The Basin Plan is remarkably silent on the Lower Darling River. It hardly rates a mention, but they view it as a source of water, and it's not constrained by the Murray Choke, you know, or Barmah Choke as it's commonly referred to, so they pull water out of Menindee.

We've got the SDL project at Menindee which is an interesting example of how never to do anything, but that's generated by the Basin Plan, and they're going to come up with 106

SDL offsets. It's going to kill the Lower Darling River. It's going to be the exact opposite of what you want for the fish and the ecology. The Aboriginal guys will get cranky, Ned's kids will get crook, back whacky doo, they get 106 SDLs, and that's part of the Basin Plan. You sort of - they're trying to - it's a fundamental conflict of interest in terms of how they're approaching things.

MS HEALY: I think the community going forward see the complete lack of procedural policy in place that is actually going to protect that going - I think it's - the community are just seeing that this is going to repeat, and repeat, and repeat. As soon as we get water, the Murray-Darling, they'll be a call to take it out, and we're left with no benefit whatsoever, and in actual fact it's the complete opposite for us; it harms us so significantly.

COMMISSIONER MADDEN: So just on that procedure and operational type rule change, has there been any discussion and communication with New South Wales department about - that that is changed, that the takeout of Menindee Lakes has fundamentally changed and therefore affecting your reliability over time? Like, I'm just wondering if there's any interaction, because obviously if you - - -

MR WHYTE: The easy answer is very specific. Communication to date is zero.

COMMISSIONER MADDEN: Yes.

MR WHYTE: Not one word written or spoken. The people on the Lower Darling are caught in the middle. There is, I think, an intention in two or three weeks' time for a guy called Jock Laurie, who you may have come across, who is, I think, going to attempt to start the discussion locally on the Menindee Lakes project basin plan stuff, but that's the start of it. You know, consultation or involvement with anyone locally on this stuff is zero.

MS HEALY: I think the consultation that has occurred in the minds of the community has been completely dishonest consultation anyway, and has only come about because of - out of frustration and pressure put on them, and the - yes, the minimal communication that they've given the community is completely distrusted by the community, and for good reason.

MR WHYTE: I can give you a very specific example of that, and Ned's skirted around it, and we were both there at the time. The MDBA, as part of the plan and the SDL components, had to be able to tick a box that they had consulted with people along the river, and it'd be a year, 18 months ago?

MS HEALY: A year.

MR WHYTE: About a year.

MS HEALY: It was when that Matthews report was released.

MR WHYTE: Yes, it's about a year ago. So they ran a bit of a road show along the Murray and they did come to Pooncarie. They were in Mildura as well. The biggest SDL

project - the biggest single physical project in the entire South Basin is the Menindee Lakes project, and that's the elephant in the room for everyone currently reliant on the Menindee. The meeting was held so that you could discuss the SDL process. It sounds very good. You tick the box, and the MDBA tick the box.

There was a categorical refusal to discuss SDL projects. They started the meeting saying they weren't going to discuss anything. That's the sort of standard that's there. Now, it actually gets worse than that because the Menindee Lakes business case had gone through MINCo in June that year, which was a couple of meeting - couple of months prior to this, and the - we had the meeting chaired by the Chair of the Murray-Darling Basin Authority, Neil Andrews. He categorically stated there had been no homework done, or blessed, or even started on anything around Menindee at all, and that obviously they would come and talk to people before anything even started.

Now, I actually had a copy of the Menindee Lake business case sitting in the folder as he was saying that. What that literally is the case, is the Chair of the Murray-Darling Basin Authority was intentionally lying to us, because he goes to the MINCo meetings. Now, that's what we're dealing with, and I would have thought that's pretty serious stuff, but it's Menindee and Lower Darling, so no one gives a toss.

MS HEALY: I think at - if I can use another example, at a meeting held in 2015, where Gavin Hanlon was - held the meeting in Pooncarie, there was an outright refusal to give out minutes to the meeting when, at the start of - and everyone was gathered there, on behalf of other government departments, the Rural Mental Health Team were actually the team, you know, assigned to taking the notes, and the community was left - we were told everyone had to submit their email addresses. We were told we would get communication, and there was an outright refusal to release any meeting notes, minutes, or anything like that. So I think the consulting that's been in place for the community of the Lower Darling has been, you know, minimal and dishonest at best.

COMMISSIONER MADDEN: So just, I guess, a follow up, which is about that information going forward - not too much detail in terms of every little technical detail, but I just want to also (indistinct) that process, and then interaction with above Menindee. Are you - - -

MR WHYTE: There isn't any.

COMMISSIONER MADDEN: The common process is that there's no coming into that process even at a New South Wales-wide level, and again I might have to as you - - -

MR WHYTE: Again, probably - better to ask Rachel, but I can predict the answer: there is no communication at all, and it's not allowed, despite numerous requests for it. Now, I can't understand how you could possibly have a series of operating rules along a large river system where there is literally a current refusal to allow those silos to interact with each other. It's obscene, but it's what's happening.

COMMISSIONER MADDEN: Yes. So, there is a comment that they do interact, because there's always an end of - existing kind of target.

MR WHYTE: No there isn't. That's not correct.

COMMISSIONER MADDEN: Sorry, sorry.

MR WHYTE: Sorry, there isn't.

COMMISSIONER MADDEN: I'm talking about Macquarie and others like that.

MR WHYTE: Yes, look Macquarie, Murrumbidgee, Murray.

COMMISSIONER MADDEN: Where you've got a regulated system. So, the question is, how do you make them interact better and take that into account? Now, I would have thought, and I agree with you, that the bare minimum is being able to see what's happening above and interacting with that. So I'm not disagreeing, I'm just saying that there are processes, and the same with the Murray, and operational rules of things that the public and people on the Murrumbidgee can understand how the things interact and rules changes occur.

So, it is strange to me that we have a WSP process that you go and kind of touch on things lightly, and not actually have that process along the river, and actually more importantly, why is it just in WSP processes and not public, so anyone can actually see what's going on? This is not something we've looked at in detail, but it is a very different process to the water sharing plans done in the past, which were a very public process and a very information rich kind of process. So, even if you weren't at meetings you knew and you could find out what was going on.

MR WHYTE: I think there's a combination of issues that lead to that problem, and maybe some fairly straightforward ways to rectify it. In terms of the first part of your question, of how - you know, what do you actually do to get around these sort of issues, I'd suggest that historically there's been a reliance on modelling, but unfortunately the modelling is not accurate in low flow years, and it's the dry years that matter. In a wet year there's plenty of water around; it's what happens in the dry years that's the problem.

I'd suggest that that focus on modelling should change, and it should change to a series of deliverable outcomes that trigger things under water sharing plans or water resource plans.

COMMISSIONER MADDEN: So more the event-based.

MR WHYTE: Yes.

COMMISSIONER MADDEN: Yes.

MR WHYTE: Every event, particularly in dry years, if difficult. It's not easy to guess what's going to happen before it happens. Now, if you want to have a guess at what's going

to happen in a wet year, yes, you can do that fairly well. In a dry year it simply doesn't work. So I would suggest a mindset of deliverable outcomes, which include fresh water to the bottom of the river, because it's only fresh water that'll fix the sort of issues that Ned and her family have gone through, and having a rule system based on deliverable outcomes rather than 120 year model is, I think, going to be one of the key ways to make this process better.

Now, it's true that each of the individual water sharing plans in the sections of the river do have deliverable outcomes and systems in their own area. What they don't have is the connection into the next one and unfortunately the bottom of the river is what cops the consequences most, so that building in a series of deliverable outcomes on a whole river basis into the rule structures around the - what are now individual water sharing plans is the way to actually do it. Unfortunately to date there's a refusal to do that.

COMMISSIONER MADDEN: Yes, and probably impossible to do in - - -

MR WHYTE: Not by next - - -

COMMISSIONER MADDEN: Nine months.

MR WHYTE: Yes. In terms of the question about why those things are happening, the political influence of guys up north is far greater than the problems Ned's had with her kids. That's the rather ugly reality. I'm sorry to have to say it.

COMMISSIONER DOOLAN: Look, just before we let you go as well, in terms of the Menindee project, or that you said you're expecting it to kick off in two or three weeks' time.

MR WHYTE: Maybe.

COMMISSIONER DOOLAN: Maybe, but what would be good consultation from your perspective?

MR WHYTE: Well, certainly what we haven't seen.

COMMISSIONER DOOLAN: So, not perhaps what you've experienced to date, but what you would be happy to be involved with.

MR WHYTE: I think the fundamental issue about consultation is it's got to be two way, and it's got to start early, and there used to be people within departmental structures who had the ability to sit down in a meeting at Pooncarie and have a two way discussion, and there was historically a huge amount of respect going both ways there. Unfortunately all of that ability within the New South Wales department didn't survive sundry restructures, and so the people who are there now don't - simply don't have the ability to sit down in a room, you know, meeting at Pooncarie, which is as polite a place as you'll ever find to have a meeting, and have an intelligent discussion on anything.

The restructures within departments mean that none of the people who have been appointed to current positions have that skill or ability. It makes it rather difficult. It's probably why Jock Laurie has been asked to chair the sessions that are being flagged for the next couple of weeks, I think just before the end of this month. It's all rather difficult to actually now take the consultation seriously when the Menindee Lakes project has been through MINCo twice. It's the basis of 106 of the 605 SDL offsets that were not disallowed by the Senate - I'll get the terminology right - back in May, and yet that's based, effectively, on storing a lot less water at Menindee and using it quicker, which means Ned runs into that problem more.

Now, there's a fundamental conflict there. Myself and I think one or two other people here were at a meeting last night in Mildura, and there is a fundamental conflict around the issues at Menindee and the Basin Plan, because what's proposed at Menindee is a component of the Basin Plan. It's the biggest single SDL, you know, physical project in that component, and lots of people wax lyrical about "We have to have a plan", and "The plan's great and we've got to have it". Well, the plan's about killing Menindee.

The alternative to doing the Menindee project is the New South Wales Government buys 106 gigs of cap equivalent water so they get 110, 120 gigs of high security, or perhaps two and a half times that of general security, four or five figures, in Griffith and Deniliquin. I don't think they're going to do that, but the Darling, Menindee, and people along it become expendable to avoid having to do that. How do you have an intelligent consultation process when that's the mess we're in now? I haven't got a simple answer. I wish I did.

COMMISSIONER MADDEN: Upfront discussion can at least start it.

MR WHYTE: It would be a good place to start. Yes.

COMMISSIONER MADDEN: No, thank you.

COMMISSIONER DOOLAN: All right, thank you. Okay. We'll actually now move to Rachel Strachan from the Lower Darling Horticulture Group. Just introduce yourself, Rachel, for the record.

MS STRACHAN: Thank you. I'm Rachel Strachan from the Lower Darling Horticulture Group. I live halfway between Wentworth and Pooncarie on the Lower Darling River. I'm a member of South West Water Users. I represent the Lower Darling on the WaterNSW Customer Service Advisory Group, and I'm also part of - the Lower Darling representative on that - New South Wales Murray-Darling - sorry, yes - Murray-Darling section of the water resource sharing plan, on their advisory panel. I've just got an opening statement.

COMMISSIONER DOOLAN: Sure. Please.

MS STRACHAN: Thank you for the opportunity today to appear before the MDBA Productivity Commission. I am here today on behalf of irrigators on the Lower Darling River, downstream of Menindee Lakes, and particularly the ten families who irrigate permanent plantings that produce high quality citrus, stone fruit, wine grapes and table

grapes. We're all farming family who have been in the region for generations and would like to remain in the region and continue to farm for generations to come.

The irrigation of permanent plantings is a significant component of our agricultural enterprises and underpins our family businesses. We've always needed a plan for water management in the basin that makes sure the rivers continue to be healthy and productive. However, production of permanent plantings is becoming increasingly difficult because of reduced security of water supply to Menindee Lakes. This is not the result of drought, which we've coped with on and off for decades. Increased releases of environmental water, such as what occurred in the summer of 2016/17, now draw water down from the Menindee Lakes quicker than ever before, reducing water availability to the Lower Darling. This has already made the viability of horticulture and viticulture marginal.

The proposed Menindee Lakes project will further reduce the security of water supply to the Lower Darling that will make our irrigation businesses unviable. The New South Wales Government and MDBA have told us absolutely that there is no future for permanent plantings in the Lower Darling. While we could accept a structural adjustment package for horticulture and viticulture on the Lower Darling, any changes to water availability and water supply in the Lower Darling must consider the needs for town water supply, domestic needs of properties that draw water from the river, and the environmental needs of the Lower Darling should not be sacrificed for environmental outcomes further downstream in South Australia.

We would like the Productivity Commission to recognise those impacts and the impacts on our lives, and we believe they are not understood by governments. If we are going to be sacrificial lambs for the Basin Plan then we need to be compensated the loss of our businesses. We would prefer to have a guaranteed supply of water, but it seems highly unlikely.

COMMISSIONER MADDEN: I guess there's a couple of things. The very first thing, maybe just to tie off some of the water resource plan, and then go on to the future, whatever that entails, just because of your role in the discussion we had, do you want to say anything regards the SAP process to date?

MS STRACHAN: Yes.

COMMISSIONER MADDEN: And that kind of interaction with water resource plans, and then we'd like to move on to, obviously, how to progress a kind of a wicked problem that's - - -

MS STRACHAN: It is.

COMMISSIONER MADDEN: I think it's facing governments as well. We've got to give that, that I think some of the uncertainty around 200 people is the uncertainty from government's perspective. This is a trade-off, and I think they're well aware of that, because there are impacts, and I think we can say there's got to be impacts once you change rules and operations, not just (indistinct).

MS STRACHAN: And there's two things at the moment. They haven't - they're not addressing the issues of third party impacts that have already been felt by - especially changes to all the development of the Barwon-Darling water resource sharing plan, which - we've never had any of that articulated to us, or the transparency of it has been zilch.

COMMISSIONER MADDEN: Yes.

MS STRACHAN: In this process moving forward we've asked to actually participate in the development of the Barwon-Darling resource sharing plan. I had an email; this morning again saying that, "No, that will not be possible", and - - -

COMMISSIONER MADDEN: Sorry, is there any reason given?

MS STRACHAN: They took it to their advisory panel and requested it, and the comment come back with - that they would prefer to deal with those upstream, the SAPs, who are going to have an influence on the Barwon-Darling one, but there's no consideration for us, being downstream of the Barwon-Darling, and that's - - -

COMMISSIONER MADDEN: Sorry, so - - -

MS STRACHAN: So New South Wales - - -

COMMISSIONER MADDEN: So they asked the advisory panel to advise them whether you should be involved this year?

MS STRACHAN: Rather than a government having two resource plans articulate to each other the needs of each other. The example I used to them when I request it was that the Murrumbidgee Water Resource Plan is linked with the Murray-Darling - Murray and Lower Darling Resource Plan, in that especially that when general security licences on the Murray are below 60 per cent there can be no supplementary water allocated in - or no event can be permitted in the Murrumbidgee if it can be, like, reregulated to Lake Victoria.

COMMISSIONER MADDEN: Yes.

MS STRACHAN: So there's a whole connection that considers the downstream needs of the - - -

COMMISSIONER MADDEN: And redirection and the - - -

MS STRACHAN: The Murray and a lot of the Victorian ones also have downstream considerations in their water resource sharing plans, because they have to consider South Australia. We're the only one that sits high and dry, that there is actually no connectivity, and there's no preparedness of the government that I can see that will let the north and the south have that unity, which is one of the biggest things that I thought was sold to us as a community.

Whether you were a city person, a farming person, someone in the local towns, we were sold on the whole idea of - that we were going to have the Murray-Darling Basin come in, we were going to have instreamed - instream health returned to the rivers, we'd have connectivity. The catch cries were amazing. We all agreed with them and thought "Wow, this is perfect", because while we have healthy rivers and just that basic river health, our communities thrive, our businesses thrive, and the local ecology thrives, so how can it go wrong? However, we don't have - seem to have the will of the government, I don't think either federally, in the MDBA, or in the state, who will need to stand up to some of the industry that feel that they may be impacted, yet there's other industries that have been hugely impacted.

COMMISSIONER MADDEN: I assume you kind of agree with the event-based management type discussion, and we've had that - I'm sorry, I'm struggling a little bit, but just thinking about the SDLs setting how they are actually holdings in the various different valleys in the north from the environmental perspective. I know some of them are used at Macquarie Marshes and things like that.

MS STRACHAN: So we - - -

COMMISSIONER MADDEN: You just wonder, will that have an impact in the long run? With the changes and the event, you know, the shepherding from last year - no, sorry, earlier this year, actually make a difference. Do you think some of those things are at least headed in the right way? We've got some recommendations around, we call it, the Northern Basin Environmental Coordinating, kind of, Committee, to have some integration from an environmental water perspective, but you're obviously asking for that to be more operational as well, in terms of integration.

MS STRACHAN: However, that was Rhondda Dickson and Craig Knowles, I think it was, had actually, when they sold that to the Northern Basin, assured the Northern Basin that all water recovered would be used for benefits of - for the Northern Basin, within the Northern Basin. So the only time you're going to get benefit is in an uncontrolled flood event. So, they may put it in their report that they've contributed to the Southern Basin, but it'll only be in those really large events that - in those small to medium flows, in the dry years, when it's critical to have that instream health maintained and that connectivity of small flows, that's not covered off in the Basin Plan at all.

So, we're going to continue to see absurd third world water quality issues from Bourke down, and unless they actually have the will to start protecting some of those first flush events and that to actually get outcomes to - at - basically Wentworth, is has to be, because you can't have the Darling River just cut off at Wilcannia.

COMMISSIONER MADDEN: I know this is a difficult question, but I just see that we've got two main issues here. Obviously there's the plans above, not allowing enough water or trading and take levels taking water out of the system, which you would think over time would show up in the SDL accounts and things, notwithstanding measuring issues. So obviously that's one threat, if we're talking about risk management approaches. The other is obviously the operation of Menindee and how water is taken out. Is there any

process that's looking at what the fundamental issue is for the Lower Darling, that you're aware of?

MS STRACHAN: Yes. So, we haven't seen any of the proposed operational rules under the considered SDL that they're proposing there. However, we are currently living in the way that the plan will be living its life out at Menindee, in that, as Alan touched on, with the PPMs, which is the - they can have a preferred lake, or preferred water storage that they pull water out of. It's easy apples out at Menindee, so it's quicker and simpler to pull it out of there than (indistinct). We're going to have constraints there that actually block off the natural anabranch channel, and then they drain the lakes quicker at 14,000 meg a day, which will also deplete our supplies at a far quicker rate.

Alan touched on that a lot of the - the water recovery at Menindee is minimal. There's been substantial water recovery in the Murray and the Goulburn. Quite often that water is actually transferred up to Menindee and then delivered out of Menindee, rather than delivering it from where it originated in the Murray and the Goulburn system. So, all - everything is just putting more and more pressure on the Menindee Lake system to do all these deliverables which, at the moment under just a drought and the reduced inflows from up north, without the Basin Plan, we're getting by, but by the skin of our teeth because of those reduced inflows. The Basin Plan just pushes us completely over the edge, because you can't have less coming in and more coming out, and having us be able to be sustainable where we are.

COMMISSIONER DOOLAN: Okay. Effectively a perfect storm for the Lower Darling.

MS STRACHAN: Ok, it is, and I really, really think the Government would just like us to go away and let them achieve their 106 SDLs, and it would make their life easier. They've achieved outcomes, so they're not going to be hurting the electorates further to the east, or pulling water out of other communities. We're a small community that - there's 50 family farms there that appear to be easy collateral damage.

COMMISSIONER DOOLAN: So given it is an area of significant trade-off, then it is critical to get the process, the information, consultation, for these right. So what do you want to see?

MS STRACHAN: We'd like to see transparency.

COMMISSIONER DOOLAN: Yes.

MS STRACHAN: We'd like people to actually come out and speak to us about what they're proposing to do in our area. We haven't seen one benefit to any one person in the Lower Darling, whether you're a cod, whether you're a Yellowbelly, whether you're the shop owner, whether you're a farmer; there's not one benefit. It's just basically raping the whole area of everything.

COMMISSIONER DOOLAN: So it's not - nobody's looking at this as a trade-off, nobody's actually putting in place "How do we manage this? What's the outcome we can all live with?"

MS STRACHAN: Our preferred outcome?

COMMISSIONER DOOLAN: Yes.

MS STRACHAN: Is to go back to having a reliable supply of water which, while we have a reliable supply of water, we have a healthy river system, so our ecology is healthy; it's an amazing area that is isolated and protected. It's got one of the most amazing - or the best cod - natural cod population in the Basin. It's the highway hatchery of industry and flows that come from the north and come through the Menindee system for hatchery or the Yellowbelly, so ecologically I don't know how they can really wipe it out.

When all that's happening, our town of Pooncarie thrives, and we have every grey nomad and fisherman from Mildura heading up there and putting money into the local economy. Our events are all well - without water in the river it's pointless having the school there and a bitumen road and that, because no one's going to go out to, yes, a few dead gum trees along the river, and our businesses, if we don't have water 365 days of the year we don't have a business. We can't water our sheep. We've grown citrus. They're on the Lower Darling since the 1920s.

In 1943 Hipsleys carted water from holes in a horse and cart for, I think it was about eight weeks, to get their small trees to continue growing. We never saw another dry riverbed until 2003, and when we saw that there were some major issues that had occurred, that Government had pulled the Lakes down really, really quickly to save the Murray, because they were in dire straits, and we never thought we'd see that again, and I thought it'd be something I'd be telling my grandkids that I'd lived through, but it wasn't going to happen continually.

COMMISSIONER DOOLAN: Okay. So, from your perspective, given our brief, what would you like to see us recommend?

MS STRACHAN: I think the Basin Plan has to go ahead, and we have to have a healthy river system. If they're going to get the objectives they are out of Menindee they have to take care of those negative impacts that they're causing. If that means that we can't grow viticulture and horticulture there, so be it, but you've also got to take care of the stock and domestic issues, and you can't kill the Lower Darling. Like, I thought the Basin Plan was actually there because irrigation and that had taken over, and we'd forgotten about the health of the rivers.

So, I think it's a bit ironic to be killing off a whole section of the river to possibly, maybe, save something down in the Lower Murray, or dilute the Southern Ocean, or whatever it is that they're trying to do, which - I won't get onto that, because I'm sure you'll get told all about, yes, (indistinct) flowing in the wrong direction or whatever, but it's - I don't believe we should be sacrificing such an important part of our ecology in Australia's natural - it's just -

it's beyond words that in 2008, when Alan and I first really started to raise concerns, the many changes in policy that have gradually led to the demise of the Menindee Lakes, the Basin Plan will just completely push it over its - over the edge as far as we can see.

COMMISSIONER DOOLAN: Okay.

MS STRACHAN: But right up until now, and probably only the last couple of years - well, until 2014, "So you've got nothing to worry about. The Lower Darling is too important. We have to supply Broken Hill with water, so we've got to have a certain amount of water come through from the north, into Menindee, and that will always maintain a connectivity through to Wentworth because - so your high security irrigation and your permanent plantings will never be without water." We were just continually made assurances that have just proven incorrect.

Now we've got a government - oh, 2014, New South Wales Government actually came to us and said "Under the Menindee Lakes water savings project we can't see a viable future for permanent plantings. We think you should look at a compensation package." So they came to us to start with four years ago, and they've still got us handing out to dry at the moment, that we can't make productive decisions because our ten-year business plans went out the window with that advice from Government, yet we've been left there without any assistance or any guidance as to what our future is going to be, except that all we can see is Broken Hill's water supply has been taken care of, as a pipeline from the Murray. Tandou, the one big corporate, who was on a general security irrigation licence with an opportunistic crop of - they'd only plant it if there was water there - they've had a compensation - a complete capital adjustment package that actually paid out their irrigation infrastructure as well as their water and whatnot. So it's like, well, why would an opportunistic cropper be taken care of prior to permanent plantings that require constant water? It just doesn't - we can't make sense of it, and it doesn't seem to matter where we go.

We get sympathetic shoulders wherever we go, but there's not one person prepared to make a decision and actually go "This is the facts. This is what we're living with in this day and age. For us to achieve this, these are the outcomes that we're going to have to address", and they need to be done now, not in 2022, '26, whatever. Like, we'll be gone by then. Like, Ned's kids, they can't live through that. I refuse to use and Darling water in our house at all for many years, and it's just - it's not good enough. Like, you live in Australia. We're not living over in Africa somewhere where we're some third world country. It's just crazy.

COMMISSIONER MADDEN: Maybe a more mundane - it's not mundane, but it's about the people out in the area. You said there were 50 farmers, and obviously they're the most impacted.

MS STRACHAN: There's 50 farms. There's probably about 70-odd families.

COMMISSIONER MADDEN: Yes, I was going to say, so the first impact, I guess, would be permanent plantings, and people are using for irrigation. But that process in kind of looking forward, and if it's well designed, unless, you know, one of the options is, you

know, restructure, all those kind of things, how long do you think that group would take to, you know, get together, work out what is the future, what are the options, work through a process? I know you're about to start it with Jock Laurie, but I'm -has the group thought it through about how they would actually work together to address that one way or the other?

MS STRACHAN: We started this four years ago.

COMMISSIONER MADDEN: Yes.

MS STRACHAN: And when New South Wales come to us we formed the Lower Darling Horticulture Group, which is every viticulture and horticulture property below Weir 32. So we weren't prepared to leave someone behind. It was like either, if you're going to go and compensate us, don't pick one or two of us out; you do the whole lot or don't do it at all. You give us a security supply of water. So we've been on the front foot back then when we were given the advice. We went out, we were looking at alternatives, options and that. After four years that does your head in, that you get to a certain point when you're looking in an alternative industry and then it's like you take the next step or you don't. Yes.

We've got lots of ideas, but at the moment we've really got to concentrate on keeping our places viable in the capacity that they are, because Government doesn't seem to be moving quickly at all, and we can't ignore what we have there now that is very viable. We have citrus, easy peel, seedless, that goes over the China. The wine grape industry is starting to really boom again. Like, we're making substantial income off what we have there. The one ingredient that we're lacking is a reliable supply of water, which historically we had.

So, we're looking at - there was a property in Victoria just a month ago that - a group came in and bought it for \$50,000 an acre to clear and then plant it up to table grapes. We've got hundreds of acres on our property that is perfect sandy loam soil that is probably worth \$25 an acre because we no longer have access to development - or that reliable supply of water. We were going to continue to develop, but this Basin Plan has devalued our property to probably a tenth of what it's actually valued at because we haven't got that reliable supply of water, and people want us to be supportive of it, and that's like, I can be supportive of the rhetoric of it, but the reality of it is just killing us.

COMMISSIONER DOOLAN: All right. I think that's - thank you very much for that. Points well made. We would now take a short morning tea break and we'll reconvene at 11 o'clock. Okay.

ADJOURNED

[10.40 am]

RESUMED

COMMISSIONER DOOLAN: All right, we'll just now resume our hearings. The next

participant is the Mildura Rural City Council and we have a delegation, with Mark Eckel, the mayor; Martin Hawson, the general manager; Mark Jenkins, the Community Futures; and Jason Modica, a councillor. So if you wouldn't mind again just introducing yourselves for the transcript and then some opening remarks. Thank you.

MR ECKEL: Yes, thank you Chair. Counsellor Mark Eckel, the Mayor of Mildura. I'll open the proceedings from our perspective.

MR HAWSON: Martin Hawson, General Manager, Community with Council.

MR JENKINS: And Mark Jenkins, Manager, Community Futures with Council.

MR ECKEL: First up, a very warm welcome to our beautiful city, great to have you here, and we welcome the opportunity to have input into this very important report that you're putting together. We see our role as advocating for what we see as important, if not the most important issue, to our future and I'd like to refer to it as water is the heart of our community. We have provided comments to two previous inquiries into the Murray-Darling Basin Plan and the key themes that we've covered have been governance, transparency, reporting and security of water. Interestingly, these themes are evident in the Productivity Commission's report and Mildura City Council, being the oldest irrigation colony settlement in Australia and as a major service centre for surrounding towns and communities, including areas across the border into New South Wales, I'll just touch on in a moment, but the agriculture, tourism, retail and service sector are key components to our local economy and water security is crucial for our community's economic and social future.

We believe that local government could play an increased role in the development, implementation and management of environmental water projects. Local government is intimately connected with all aspects in its local area and well equipped to balance the complex and often competing social, economic and environmental needs across the municipalities.

I think a little bit is going to be said about the millennium drought in our proposal and can I say that let's go back a few years to those years and can I tell you from a community perspective, I've been a counsellor for 18 years so through that time, through that very difficult time of the millennium drought I don't think it's realised outside our country communities and communities like Mildura, that the devastating effect that reduction of water, to be able to provide water for the grassed areas in our community, like our magnificent Deakin Avenue, we went through a period there where it was only getting water once a week and it was dying. Where our elderly community, and as you well know most of Australia, particularly in the country areas, there's an ageing population, and the stress that that puts on the elderly not to be able to water their gardens, you know when you get those restrictive times, it's a real issue within our community during that time. And I don't know whether you've heard, but our friends across the river, up the reaches of the Darling River, what is happening to our Aboriginal community, and they're coming down here to live in our area for the reasons that Murray River is, you know, a flowing river, because the Darling River is just devastated. And you know, I really call it genocidal

geographical issues because what's happening up there with the people, the Aboriginal people taking their lives, is absolutely devastating, to such an extent where authorities are going around chopping the limbs of trees down to prevent people taking their lives. Because that's the life - the river is their life. As far as a parallel is concerned, it's probably as distant as you want to make it when people are taking their lives because their river, their way of life has been taken from them and communities like Mildura where we need the water to be able to keep the social life and activity of our community going. So I just thought I'd - thank you, and then I'll pass on to Mr Hawson.

MR HAWSON: Thanks Mr Mayor. So what we've done we've provided our written response and that's all been submitted, so what we thought we'd do is just pick up on those key points in response to your - to the recommendations from the report and, I guess, and the mere mention that we've done a number of, I guess, submissions to different inquiries, they seem to be quite frequent the inquiries into the Murray-Darling Basin Plan, and so we've drawn on those submissions, which was been to Council and Council has talked about those issues and then correlated it with the recommendations and the points you're covering.

Some of the key issues I guess, in general Council supports any improvement to the transparency and accountability regarding the recovery of water, which was clear in your document. We also in support in general targeting assistance for those communities who experience adverse effects following water recovery. And I guess the mayor just gave a few of those anecdotal examples there that you guys have picked up as well. The supply and measurement tool kit we thought was very important. In principal, Council supports the proposed improvement to measure - that measures transparency, accountability and governance relating to the supply projects. The continued readjustment to the plan makes it difficult for the Basin communities to justify their support or activate resistance. Governance, transparency and accountability measures need to be in place to consider these effects of supply projects on all Basin communities. In our submission we have highlighted two supply projects that have a negative effect impacts on the areas of the Basin, in particular the negative environmental effects. And probably because we see it firsthand and we can visually see rivers drying up and so forth, that that's very pertinent.

The water trading rules. Ongoing expansion of the irrigation, agricultural upstream and the recent changes to the New South Wales policy regarding leaseholder land is a major concern for our community. Existing water trading rules, for example the water trading rules from the Barmah Choke are manageable during normal conditions, but during a heatwave or drought created environment where the large irrigators with financial capacity, i.e. who can afford it, will survive, whilst smaller irrigators who can't afford it will suffer the hardships and decline. As a consequence, other drought would further weaken, destabilise the social and economic fabric of our community. And during that 2011 period there was a lot of information that we had to trawl through that highlights the impact of that. And we talk about that in our submission but we've got a lot of evidence in regard to what the impact was across all fronts; financial, social and environmental. Council would support the improved trading rules that would provide benefit and confidence to our local community so there is security of water which would be imperative, because for us, if we don't have water we don't survive, basically.

Compliance and reporting, monitoring and evaluation. Council generally supports any guidelines, improvements in compliance reporting, monitoring and evaluation of the Basin Plan. We would welcome an independent water ombudsman that would provide independent scrutiny of all aspects of the plan. Would consider the best interests of all parties and ensure transparency and compliance with the existing legislation and agreements. We would also like to see an increased level of public reporting on the evaluation and outcomes of water use. The reporting needs need to be transparent and readily available to the community that knows where the water is being used, how much is being used and the environmental/economic benefits. Mildura City Council has firsthand experience of the impact of low water allocations during the 2007/9 drought and evidence suggests that if it were to occur again impacts could be even more devastating and far reaching. In general we welcome the Productivity's review of the Murray-Darling Basin Plan and applaud to the Government's response to the recommendations made in this document.

We then go on to sort of highlight, I guess, the discussion points that we sort of want to further explore and the report that you've put forward does highlight a few of the other issues that we think we could be more involved in or have more evidence for. However, it probably hasn't been discussed at Council level for us to put those forward but they're certainly points for consideration. Especially around your recommendations in Chapter 14 around the governance arrangements and your proposal of different bodies to - or separating the bodies that are looking after the plan. So there is a bit more of a redundancy in the decision-making that doesn't seem to be there at the moment, and that might assist with the conversations with communities, so all the issues that are happening, there is more of a robust sort of mechanism behind what is actually coming out, so we certainly welcome further development of that.

Clearly reporting on the actual implementation in project or otherwise. It's very difficult to understand if a plan is going to work unless we have a really rigorous understanding of what actions and the level of actions that have been implemented, which seem to be problematic in finding that out, so we can't - it's hard to know if it's working and, anecdotally, there are a lot of issues stemming from that and whether they're a result of the plan being implemented or not being implemented it's sort of difficult to say.

Yes, some of the other aspects in terms of what the importance is of the flow on instruments of the plan and how they have a direct impact on our community, there needs to be far more reporting on those impacts. Any social impacts and so forth tend to be two years away from when they actually happened, as opposed to the outcomes that they actually occurred, and we see that as a real problem, so any of those transparency mechanisms that you're talking about in reporting would certainly - certainly help.

So I'll just open it up to the other councillors and Mark, who's the author of our report basically, for comment.

MR MODICA: I just think it's - we've been lucky enough to go through the process of having, as Martin said, quite a lot of commissions or investigations into what's gone on in

our region, and particularly the focus on the Darling. The deeper concerns are that how we look at the river system without the border between Victoria and New South Wales. Taking up what Alan said before, how do we get to the point where we know what's going on, and as Martin referred to, how we get a decent result out of all this money being spent, \$13 billion on a Basin Plan and we have such a disastrous situation across the river from us and the eventual pressure that it will put on our region. I think in 2007 and 8 irrigators here were only receiving 30 per cent of their water allocation, from 100, and it took a very long time for people to come back from that. And I believe there's, you know, 40 to 50 per cent more plantations have gone in from then until now so, I believe it was said before, it seems like a little bit of a perfect storm in regard to what the municipal council will have to deal with, the State Government and the Federal Government if this does descend into a disaster like it was here in 2008 and 9.

There's a lot of really good information around, there's a lot of really well-educated people on how the system works. There does seem to be a little bit of dominance from large irrigation and large horticulture through lobbying. It's a natural part of our economy and our business life at the moment but there probably needs to be, maybe through an ombudsman, an opportunity for community to push back, to have an equivalent point of power within that relationship in regard to how water is distributed and how this very, very complex system works.

MR JENKINS: I might just add, Martin did mention about the separation of the Authority, which Council hasn't considered, but that was - when you read the document it doesn't make sense that when separation, where someone else, a section of the Government makes the rules and enforces the rules, then the Basin (indistinct) responsible to work together to comply and make it happen, but I think now the current model is difficult to make that work properly.

The other thing I think, when you read this and other documents we've been through previously, is that the Basin Plan relies on collaboration rather than like a strong enforcement mechanism, which I think it needs more of that rather than - because collaboration I don't think has delivered the goods in total. So you can't rely on it. If people are supposed to get together and they don't, well you need to take a different technique and that's probably - in this model here they're proposing is that the Australian Government takes that role. That's the way I take it when you read this document. This has been suggested.

COMMISSIONER DOOLAN: Our draft recommendation is that we would separate the two key functions of the Murray-Darling Basin Authority; the regulatory function and the function that actually assists governments to collaborate and keep those separate.

Look, thank you for that. I suppose I'm a little interested in key areas where you support the recommendations. It's good to hear, but there's others where it would be interesting - your idea of the ombudsman or - what is the actual, I suppose, problem that is - you're seeing with the current arrangements, and I just wonder, if our draft recommendation of the regulator might fulfil that need. So, you know, are we seeing the same problem? So if you wouldn't mind just thinking about that.

MR JENKINS: Well the ombudsman was written at a time previous to reading this, of course, so obviously if that aligns with that I think you'd probably think that was a good idea.

COMMISSIONER DOOLAN: Yes, okay.

MR HAWSON: We just felt there needs to be some sort of better governance and mechanisms in place that are controlling the administration of the plan and deployment. As soon as you find that you've got one hat and you're doing two functions, local government often finds itself in that space, it can be problematic in terms of implementing something that's so important. So I guess the principle of what you were saying with your change in the model was similar to what we were saying in terms of an ombudsman or a -
- -

COMMISSIONER DOOLAN: Yes. The problem you were trying to solve was sort of a similar problem.

MR HAWSON: Yes.

COMMISSIONER DOOLAN: Yes, okay.

COMMISSIONER MADDEN: So just on that, the leasehold land trading that was raised there in New South Wales, I'm not aware of that. I'm just wondering what that issue is and
- - -

MR ECKEL: I think in the original work we did for the Basin, it was the South Australian Royal Commission, was that land that previously wasn't irrigated being opened up for irrigation. Meanwhile, other land that was irrigated is being, I suppose, shut down. But Council's main concern I suppose comes around upstream development basically on greenfield sites. And that actual article came - that was actually an article that was - it was published that article about, you know, western lands which is lease land coming on line and potentially taking water, it's basically greenfield site.

MR HAWSON: And that was the Commissioner for the South Australian Royal Commission, was very interested in the fact of the rules and governance that was around the opening up of large irrigation areas and what the planning controls were at a local level in terms of what is in place. And when we talked through that he was, I guess not alarmed but he did show a fair bit of concern that there's more - less controls on that than there is to build a shed in someone's backyard, in terms of what control we have over those types of things, which obviously if they're reducing the supply chain in terms of how the water can get here, and that's the Darling issue and the Barmah Choke issue and all that issues that result, and you're opening up large scale irrigation, where is the pressure point going to come in local communities that rely on that high security water that could be either not available through supply or not available because they can't afford it. So obviously it's creating a double issue.

COMMISSIONER MADDEN: So there's been recent announcements about using the Mulwala Canal and things like that. But has there been, as far as you know, I guess a structured discussion around this issue with the authority, with the States? Like what avenues - I mean obviously you've mentioned the Royal Commission and we've heard it multiple times, but where do you go to actually get this addressed in a structured way?

MR MODICA: Could I say something for this one. I think it's indicative in the report that 4,500 hectares were planted last winter and 1,550 projected in the next five years. That's in Mildura's municipality alone. That's while water's getting squeezed everywhere. So that reflects back on what you're saying; where is the regulated point of how much land can be opened up in relation to how much water can be delivered. And I think that's a very, very topical decision to be made because the call for a lot of people in politics is that, you know, the market will sort it out, but in the end if the market sorts it out it will be large corporations buying up every drop of water and utilising every inch of land to suit themselves. So I'm very concerned about how we implement some form of regulation into water, because there's that much land out there it's not funny, it's the water to get to it, so it probably needs to be discussed greatly.

MR ECKEL: And I think a salient point that Councillor Modica brought up earlier on was the 30 per cent allocation that we had during the Millenium Drought. Now, you know, we're talking about a Millenium Drought. We're talking about not a drought that was mentioned by Mr Hawson over a couple of years; really it went for 14 years. There was ten years, then there was a little break, but it was - so we're expecting this to happen again. It will happen again. If we go back to 30 per cent allocation right now, the whole industry, the whole horticulture or the whole farming industry is devastated in this area. Bottom line. We just cannot afford for that to happen now. And the opening up of land and licensing, there's got to be some sort of control; whether it's State, Federal, whatever, there's got to be some sort of control over the future licensing regulations and taking into account what the river can provide, for goodness sake. You know it's not a never ending river, is it?

COMMISSIONER MADDEN: Yes, so I guess, and this is the question coming back to trading because I know even in the Lower Murray water footprint, 30 per cent of land is not used. So there is actually plenty of developed land even to trade water in, and that was with your organisation plan trying to be encouraged to bring water there. So, you know, it's not just new development. I guess the question is to me, we've seen a response very recently around deliverability, that someone in authority is looking at options to try to improve deliverability down to the issue, into this area, across the system, which is different to a 30 per cent, you know, from an entitlement. But again the question is, well, where is that addressed in a structural way? I thought Mildura would've been involved in this discussion through some forums.

MR HAWSON: Well that's the problem. There is advocacy groups that you can sort of talk, but there's no sort of - you don't have any decision-making power or, you know, process, I guess, around that. And so it's relying on, I guess, informal networks to actually advocate. The issue that you do have that for all those people to come together, even then you have, because it's such a large area, you have competing demands within the advocacy of the issue, so the issues that are faced up river and so forth it's difficult to get common

ground because you're almost in a competition in regards to the retention, and that's how the big players are managing the situation. They're just doing it purely in a market, whereas obviously we don't have the - we can't do that. So it is you're honing in on a critical point, what is the mechanism? And that's why we come back to the governments. And when we're talking about governments it's about hearing the unheard in terms of creating the policy settings that are going to - we're relying on government to look after us in a lot of ways because we don't necessarily have as strong a voice or we don't have a mechanism to voice our concerns, and that's why we're sort of talking to these various Commissions and so forth that come up.

COMMISSIONER DOOLAN: I suppose I'd like just tease the question of at the height of the Millenium Drought, a high reliability on occasions here were 30 per cent, and there's been a lot of development since then. The fact is though that will happen again and the Basin Plan doesn't change the fact droughts happen. Is there enough on drought planning going along, sort of rather than a - people have to be aware of that when they do build their businesses. Is there enough information out there, so that people are getting enough information to plan for those times when they come?

MR HAWSON: Well basically it's really an individual's decision at the moment - - -

COMMISSIONER DOOLAN: Sure.

MR HAWSON: To make the business decision that they are going to invest and I guess that's why in some ways we're seeing less of development within the traditional older irrigation areas, but we're seeing big development in people that have cashed up enough to take the risk in terms of those issues that you're raising. And their capacity to deal with the issue, i.e. buy more water, have a high licence, have a high, I guess, capacity within their allocation to cope when those things do absorb. The fact that that's going to be very difficult for the smaller growers that are either thinking of selling their water in temporary trading to keep the operations running, that's their decision-making processes at the moment, which it's difficult to know exactly if they are making those decisions based on the fact that there will be a drought and this will happen and all the scenarios that could happen. We're suggesting that's happening probably at the corporation level but the growers that survived well when the drought hit in those times were the ones that positioned themselves to be able to survive and have enough to get through. The pressure point becomes on those that necessarily don't have the capacity or can't, and that's probably going to go through that process again, but we lost a lot of - through that process. So, a very difficult question.

Now is there enough information out there? I'm sure people that have lived through it know that it's happening but whether they can control it is a - and prevent it is probably more of a question. But I think there's that much large foreign money coming into the region that they - there is information out there, but have they done their due diligence in the nature of the variability of access to water in regard to temporary market. I was at the Murray-Darling Association meeting about six weeks ago and the cotton and the rice municipalities were saying about \$330 of temporary meg, they're walking away from it. So if you look at that 1,550 acres projected in the next five years, some of it might come about if there's a drought but there's still people speculating on that, and we haven't even hit the drought

there, we've got another 12 months to go. We might get a heap of rain between now and next June, but what will water go to? And this is that idea of a regulation. So we don't have a regulation in opening land. We also don't have a regulation in who and how someone can pay for water at \$400 a temporary, or \$5,500 for permanent water. So we're in a really interesting area of what land - what the land - we can have as much land as we want, how much water can we put on it, and how much information have the people who are speculating on our land and our water. We're predominantly fine. Obviously there's local companies that do it as well on small family holdings. What is the result of that influx into an area that has been quite remote and had its own sort of regulatory systems for a very, very long time. It's going to be very interesting, to say the least.

MR ECKEL: The warning signals that we're announcing now in regards to there's got to be more regulation in regards to licensing and allowing of them, more properties, more of these big farmers coming on, is the example that we gave years ago as far as Timber Corp was concerned, superannuation. And what they did to devastate the area. The great big dams that they were - and water that they were drawing, that was sending the Murray River backwards when they switched their pumps on, went into dams, that the dams were all leaking and water going everywhere. And people in this area were yelling and screaming about Timber Corp and about what was happening to the water at those particular times. We weren't listened to. They went broke, then it all unravelled and everybody found out that - how the water system was being abused. We're saying exactly the same - well I think we're saying exactly the same thing now, that there's got to be some sort of regulation. There's got to be some sort of - regulation around the growth of farming.

COMMISSIONER MADDEN: This is a very complex discussion, I would say. I guess - I think that's a very difficult proposition in terms of using land controls because if you think of - - -

MR ECKEL: Yes, I realise that.

COMMISSIONER MADDEN: If you think of - imagine the coordination below the Choke that you'd have to do across States to have any consistent kind of approach. So realistically you're talking decades before three States agree on land controls to stifle and stop development of private land. What I do think is important is the water market and the regulation around deliveries and risk to entitlements, which is someone's job right at the moment, I'm sure at the Murray-Darling Basin Authority. So I guess my questions is well what kind of information/regulation in the existing market which is possible. You know, yes, it's a policy that has to be developed but again I'm just a bit - about Victoria would have to play a role in this. I mean it does come from States originally and then it goes up into the Basin Plan or the Basin Authority in terms of running the system and then again, as a regulator, they have a role as regulator assessing trading rules. So the Authority has two roles here; they have a running of the system role, and then checking trading rules because that's part of the Basin Plan, the trading rules are actually consistent with the principles of the Basin Plan. So again I'm not trying to harp again because I think we've got the answer, that it doesn't seem to be happening in a coordinated way, and this issue doesn't seem to be addressed in an informed, coordinated way, so I think we're almost back to Lower Darling territory.

COMMISSIONER DOOLAN: A forwarding looking way, as well. As a forwarding looking way; it's not just the issue is now, that you're actually saying that with changes in policy and land on the other side of the border here, it will be growing. Or the potential.

MR HAWSON: Well, the need will become more acute.

COMMISSIONER DOOLAN: Yes.

MR HAWSON: In the sense that why you need to do this. And the longer it goes on and the bigger the expansions and so forth, the bigger the - the higher the risk in terms of what happens if you don't have that preservation rule or some sort of - in the terms of reference of these various governing bodies, that they are - the preservation of community and their social, economic fabric is - comes to the fore and they are looking at indicators that are telling you when they are going to be affected. A more sophisticated approach, I guess, at looking at how these rules impact on community, and not competing systems or not competing priorities that prevent whatever this authority is, or how ever it's set up, that they are clearly divided, so - and that comes back to the transparency aspect. So there aren't conflicting agendas, I guess, from one authority; whether that be the market, big players, government policy, whatever it may well be, they need to separate that because it's preservation that is - and security of water.

Probably the biggest insight we learnt when we were doing some work in regard to sustainability of horticulture, and we started looking at this from the context of well what are the impacts that are driving sustainability of horticulture. And we went out and did a study in terms of talk to growers and talk to the industry and by far the thing that came back above everything else, above planning laws and planning requirements and what basically what local government could do, by far the biggest one was security of water, and access to water was clearly articulated as that is the biggest issue, that if we can't get that then everything else in regard to what you have to do to save horticulture is - becomes irrelevant more or less.

COMMISSIONER DOOLAN: Okay, well thank you very much. Thank you for attending.

MR HAWSON: And thank you.

COMMISSIONER DOOLAN: And thank you for your submissions. We would like to call on now Jane MacAllister from the Wentworth Shire Council. And again, Jane, if you wouldn't mind just introducing yourself.

MS MacALLISTER: Councillor Jane MacAllister, Councillor Wentworth Shire Council. First of all I just wanted to reiterate what I said a few moments ago to you, Commissioner. Thank you very much for being here to make the Commission, I suppose, available to this region once again, and on the back of that also very deep gratitude for making the time to make your way out to Wentworth as well when you did do the public hearings. That was very necessary from our point of view but it also gave, I think I can say, our community a

little ray of hope in amongst, as you've probably heard, of a lot of disinterest or perceived disinterest and disregard to our little area. And as I have mentioned previously and it's all through the submissions, we consider what's going on in our area to be of maximum interest, and so it should be because it is the area of greatest decline and disregard and neglect and, you know, Councillor Eckel used the word "genocide". It also feels like an ecocide. I mean it's - from a community perspective it feels like there is a concentrated effort at every level to bring about the demise of the Lower Darling for whatever purpose, and that is obviously contrary to what the aims and goals of Wentworth Shire Council is.

I should also preface my remarks by reiterating a very firm commitment that Wentworth Shire Council have taken in advocating for our community of Wentworth Shire but also for the community of Central Darling Shire as well, who is currently under administration and will be so until 2020 when it will be reviewed. There's no indication that that's likely to change at 2020. So while there is no democratically elected representation from Central Darling which includes the Menindee Lakes region and many other farming properties around there as well, and tourism, another industry we take very seriously, our role as good neighbours to ensure that those people are not forgotten, as we would not want our people to be forgotten either in all of this.

So I have submitted previously - sorry, Council has submitted previously a submission and I should preface the fact that further submissions to other agencies which have been provided to the Productivity Commission are, I suppose, trying to highlight the point that this is a moveable feast; it is an ongoing battle, as it were. Indeed on Monday I was delegated by Council to attend the flood plan harvesting information centre in Dubbo because the New South Wales Government had scheduled three such information sessions, one of them in Sydney which is not even in the Murray-Darling Basin; one in Dubbo and one in Tamworth. And our councillors thought we should make two points very loudly; one being that once again decisions made which affect upstream also impact downstream, which is a point that we continue to try to make, which is continually ignored, forgotten about, whatever the reason. So to be present and to let them know that we are indeed interested in where is our river, and where are our flows, and what other decisions are you making which may assist or hinder those flows reaching our little neck of the woods. And secondly to find out what level of information, insight, consultation, knowledge is supporting a policy which was initially dated 2013 and is now, as the tick clocks towards the time for the water sharing plans to be finalised, going to be hurriedly inserted into the 22 water resource plans for New South Wales, ahead of the Murray-Darling Basin Authority's review. So I left that meeting very concerned for a number of reasons and I have yet to report back to Council so I don't know whether I should go into that too much. But in general I think I can say, and this is my personal view I guess, it feels that once again there is a case of policy on the run. It seems that there has been, and in all the research that I've done and again whether it's intended or not, deliberate obfuscation of information of being able to access the rationale behind policy decisions and determinations. Indeed, some of the data can be very difficult to access from a very grass roots amateur level, speaking from myself, with no qualified training in such research.

The culmination of what is now a policy, which is being apparently peer reviewed by, the words were "a truly independent peer reviewer", so I don't know what they've had in the

past, sort of left me with no great faith that there is clear understanding of how, or even desire to understand how these policy decisions, particularly around flood plan harvesting, will impact, as we know they will impact in flows into Menindee and, therefore, through the Lower Darling and ultimately out at Wentworth.

Where to begin? There is so much and I don't sort of want to harp on but I will tease out the issues. It's already been stated that we very strongly consider the river systems, and indeed the nation as a whole, needs to be looked at. Even the modelling, just as an example, for the flood plan harvesting, it's done within streams, extrapolated to within valleys, extrapolated to riverine systems. And we know anyone that's, you know, had any interest in the natural environment and the way water moves can tell you water moves very differently depending on where it is and where it's going and how it's being sort of pushed through the system as well or navigated. So there are some concerns at the quantum level, particularly around the apparent reluctance of Queensland to have proper metering of New South Wales Government to very reluctantly, and I would suggest very slowly, on the back of a very definite assertion by Ken Matthews of a "no meter, no pump" rule to within a, I think it was 95 per cent maximum of metering by, I can't remember what the end date is now, it was 2019 at one point and then I think I've heard 2020, and it all seems to be fluid according to the needs of key stakeholders, and that term "key stakeholders" keeps being used in any "consultation" that we've had. Because apparently we are not key, we being Council, and indeed by the fact of what we are, the community. That was made very clear most recently - I'm sort of jumping around a bit - with the six options for the Lower Darling, which I think I've provided to you our submission to that, and we're expecting to have an outcome in the next couple of weeks apparently around that one, where the councillors who attended the target stakeholder meetings, I think as they were presented, were told, when we asked, "If we don't like your six options and we would like to provide one of our own, how long do we have?" That was on a Thursday and we were told "By next Tuesday". So we were also told previously in the same meeting that there had been key stakeholders who had been "on their backs" to fix the Menindee problem for the past five years. So we're being told that quite openly. There's no problem, I guess, on the Government side from admitting what is what we know to be the truth and have suspected for a long time. It is more and more getting out in the open, as people are able to speak truthfully about their experiences. So we are left with no doubt whatsoever as to where we stand on the, you know, the spectrum of stakeholders; we're very much down the bottom.

I would also speak for, I guess, the incredible amount of wisdom, knowledge, experience and understanding, and intelligence of our community. We have, in not only our shire but Central Darling Shire as well, people who have worked with the water, with the land, with the environment for many, many years, generations. I have been told they have been able to reduce evaporation at Menindee Lakes by 23 per cent in the past through proper management, understanding the system and trying a few different things. There seems to be an absolute reluctance at State level, indeed perhaps Federal level, I don't know, we don't see many of them, to engage with that level of knowledge in a true collaborative sense. And just, I suppose, to support what Alan, Rachel and Nerida have said, you know there is a hell of a lot of wisdom and experience there. People do want to engage and there are ideas, you know, knowledge, how things do work and can work better, that's just being dismissed, disregarded, and we keep hearing the same sort of narrative which doesn't seem

to be able to be supported when enquired. So, you know, that would be around, in particular, the evaporation rates of Menindee being a reason why, you know, it must be minimally used and flushed straight away, as soon as there's any water in it because otherwise it might evaporate. To the point where council have agreed to engage CSIRO to look into a comparative study of evaporation rates between Menindee Lakes and northern basins on farm storage. The consultation that we had yesterday with top CSIRO staff also showed that they too had difficulty accessing some of the data, that in fact there's - well I have to be careful what I say - that it seemed there is an appearance of perhaps some data either not being collected or available, and that perhaps that particular concern, or indeed evaporation rates themselves, to any verifiable amount have been recorded by the Government, or if they have, where they may sit.

As I say, this is an ongoing feast and while council are pleased that the Commission is doing a five year assessment of the Murray-Darling Basin Plan, our concern is that in five years we won't be here. I also wanted to make the point that council has been trying to find different ways, I suppose maybe using whatever forces we have because, as I've said, there's been a reluctance at State level to engage. Again my own personal opinion, the State Government appears to have a Pygmalion approach to local government so we're not used, as I feel we should be as, you know, the Johnny on the spot when there's a problem in the community, who do they call? Your local councillor. And you know we're there on the ground, we know the people, and we can certainly be that conduit, if you like, between agencies, departments. Being so far away from Sydney, when our closest capital city is Adelaide in fact, presents other problems. Our very closest neighbour of Mildura appears to be so much larger than we are and have all the services, so why should services be funded in our area? History shows that in fact the demographics were reversed; Wentworth was the largest inland port at one time and sort of in some ways opened up the region through the paddle steamer industry linked to farming. So there's a very strong history of the connection of the rivers across three States, moving supplies and produce up and down to large river systems just in our little area. A lot of the capacity for Wentworth Shire to grow was stunted with the introduction of the western land leases, as you've heard. I think currently we still have 99 per cent of our land locked in western land leases which, you might understand, prevents freehold development. There is also the furphy that Government likes to toss around about a lot of reports suggest that Wentworth's population is in decline, as is Central Darling's, when in actual fact what the statistics show is that we're growing. Where I live in Gol, which is just over the river from Mildura, four kilometres away, is having one of the largest growth spurts, I suppose, in the region, and we're hoping to continue that. Again, we need water in order to do that. And so we keep trying to make the argument that we have all of the ingredients in our little shire, in our neighbouring shire of Central Darling, the knowledge, the expertise, the wisdom, the experience, the fantastic resources. I know Rachel likes to use the term "the womb of the Murray-Darling Basin". It's a truly fecund place that should be utilised to maximise growth. Our chief industry is agriculture. We are being systematically decimated by our own government and our council are trying everything that we can to say, "Hang on a minute, there's people here that should be valued". To that end some motions have been put forward at the Australian Local Government Association National General Assembly last year, which was defeated. And this year, as they were revised and split into two motions, one being that there be a national water ombudsman with Federal jurisdiction and

specific roles that that might have, the argument being that while decisions around water management remain jurisdictionally locked up, according to the constitution under the States' powers, then - and there must be agreement or divestment of those powers to the Commonwealth, as we've seen with the Murray-Darling Basin Plan, and that even with that there is a minister at a Federal level sort of, I suppose, running the show, if you like. At all of those negotiations there is also, as we know the reality of our current political system, at the very least the perception of vested interests through political donations being able to skew the results in their own favour.

By taking that potential out of the hands of the legislature and putting it into the judiciary there can be a certain faith, a public confidence that here is a person of high standard, you know, an esteemed and learned person in the law who can not necessarily direct but can recommend that the State's laws are workable across borders; that they are correct and legal under the Commonwealth Water Act and that they best serve the interests of all people, not just those few that have hefty bank accounts. I know the Commissioner for the Royal Commission into the Murray-Darling Basin Authority was interested in that and has asked for a submission around that. I have also had conversations with the Environmental Defenders Office around some of the legality of that. Every person of law that I speak to thinks that's a great idea but it would require one thing, and that is incredible political will in order to get that enshrined into law to begin with.

So my hope is that perhaps with the backing and maybe some advice or recommendations from a person of Brett Walker QC's status, if that were to come about as a solid recommendation there may well be a way that minds more learned than myself may come together and find a way to effect some national oversight. Because while the Murray-Darling Basin Authority only serves the Murray-Darling Basin, we also know that there are disputes in the Fitzroy River in Tasmania. Water is only going to become more and more of a hot potato in this country and we need to find ways to resolve the inadequacies, the inconsistencies and the debates and fights that will occur as we bloom and grow.

The second part of the motion, or the second motion was that there be a national water registry, which I believe there have been previous iterations of something like it, that has various things including a keep-all, if you like, of hopefully real time, or as close to as you can get, of rainfall movement through systems. Who's using what licences, perhaps? You know, I mean all of these things to be determined but it's our thinking that - and for myself in trying to do some, again, very amateur research, it can be hard to find strings of data. There's an excellent (indistinct) website, there's a couple of great New South Wales State websites.

COMMISSIONER MADDEN: I think some of those issues would be more our National Water Initiative review.

MS MacALLISTER: Absolutely.

COMMISSIONER MADDEN: Which we do have a role in every three years.

MS MacALLISTER: Okay, good. So watch this space. Thank you.

COMMISSIONER MADDEN: I guess for me, just one of the questions I'd like to ask is that engagement with local knowledge and role of council.

MS MacALLISTER: Yes.

COMMISSIONER MADDEN: If we get tangible - in terms of supply project Menindee, I mean in terms of that consultation, and I'm not asking Rachel to comment, but those meetings, are they wider or is it with the affected communities? I'm just wondering how then the wider community and other stakeholders gets involved - does get involved in that discussion. And I guess there's another point which is there's a downstream review as well.

MS MacALLISTER: Absolutely, very much so. There are also a lot of people who use the river who don't live there. Who regularly come home to it or enjoy regular visits of it. There are also critters and plants and things. The river itself is a life force for so much of the place.

COMMISSIONER MADDEN: But just, you know, supply projects, is there any plans that you know of in that consultation, that it's wider than just what are the key stakeholders, in terms of the landholders?

MS MacALLISTER: Yes, and I guess that speaks to my point as well. My point is who are the key stakeholders and how do you engage with them, when they are everything really, and how do you select who they are? I think, you know, the Government is now, and I should say State Government, is now trying to find a way to do that, is my understanding. There's something around the definition of consultation that it feels more and more with each visit from different departments, and they do like to compartmentalise themselves, it's sort of gotten to the stage now where instead of listening to the people they're coming in with a prescriptive, "This is what we're going to talk about. Here's your handout. I'm going to talk about what's on this page and that's it. You'll have five questions and then we'll all leave". So the concerns of the people are left to be addressed by yourselves, by the Royal Commission. And the people who are making the decisions aren't interacting, there's no interaction. It's a very prescriptive form of consultation.

COMMISSIONER MADDEN: We've heard the term "meaningful consultation" a few times, so this might be a good example of that for us.

MS MacALLISTER: Indeed. And from council's perspective as well, you know, we would hope that - yeah, we would hope that we would be interested and engaged. Case in point, the Wentworth to Broken Hill pipeline being an imposed piece of infrastructure that does not necessarily need council approval, although we were presented with a scope of works and asked to sign off on the scope of works, and councillors weren't - my understanding of what happened was that councillors weren't satisfied to any real extent that their questions had been answered, or indeed that there was any perceivable benefit to Wentworth Shire or the people therein. In fact all we could see was perceivable disbenefit right along the way, and nothing has changed our opinion of that. At every turn we're - the local council have attempted to provide solutions that may help our shire and Central

Darling with water security, quality and supply issues. There's a reluctance to either, I don't know, listen, take seriously; I really don't understand what the problem is, but we're very much left with the sense that we don't count, that they don't have to have our approval for their works, so you know it's just something they have to do. And so, you know, the determination to come along as a joint venture and tick the box "We've consulted with our local people". The questions, I still have quite a list of questions that have been posed right from the first meeting that I haven't had a response to, despite frequently requesting responses on them, so.

COMMISSIONER MADDEN: Do you have any other questions?

COMMISSIONER DOOLAN: No, I think - thank you very much.

MS MacALLISTER: Thank you again for your time.

COMMISSIONER DOOLAN: Okay, thank you. Our next participant is Lindsay Leake.

MR LEAKE: I'd like to thank you for the opportunity to speak to you. I'm not a professional person; having left school at 14, worked for almost one year. Returned to school, obtained an intermediate certificate and joined the National Bank, still aged 15. I worked for the bank for almost eight years. I returned to Mildura, ran the administrative of my family's business for ten years. I left the family business, started my own business which I ran until I retired. In the mid-80s I purchased a fruit property which I also ran until the wine grape price was scratched in 2006. I held numerous positions in other organisations which included a member of the board of management of the Australian Dried Fruits Association; president and secretary of the Sunraysia branch of Victorian Farmers Federation; a member of the BFF Water Committee for some ten years; a member of the VFF Economics Committee for two years; BFF delegate to the Murray River Water Entitlement Committee for the full term of the committee; chairman of the Lower Murray Water Red Cliffs Committee in its various forms; a member of the Sunraysia Irrigators Council; Sunraysia Irrigators Council delegate to the Victorian Irrigators Council; Mildura Irrigators Council delegate to the Australian Irrigators Council.

My concerns are lack of open and accurate accountability for water and climate change. Accountability, right from the first day that I joined the bank it was drummed into me that accuracy was paramount and it was bank policy that you did not go home until the books balanced. This I might add was in the days of steel nib pens, writing paper and crank telephones, yet we could still put the profit and loss on the general manager's, now called the CEO I think, desk at the start of the next trading day with over 600 branches throughout Australia. To be able to balance the books you have to have accurate and up to date records, with a good system that works.

In my submission I detail some of the things that I saw as necessary and available; however, you also need the will for it to work. We have seen in the reports prepared by media evidence that irrigators and governments conspiring for the system not to work. We need leadership from governments that are committed to accuracy and honest. So far this is missing. Climate change. Until the Government is fully committed to accepting that

climate change is real and fully support research, we're flying in the dark. The report out Tuesday and the Federal Government's response is most impressive. I have tried to show in the graphs that I've produced that we have a problem that is here now and getting worse.

Summing up, there has to be a real commitment to super honesty, a commitment to accurate recording and public access to those records in a manner that can be easily comprehended. The technology is here now; has been available for years to have such records. Thank you.

COMMISSIONER DOOLAN: Thank you. So in particular, where do you want to see better information collection?

MR LEAKE: As Jane just mentioned, I believe that we should have a national registry, a water registry, that includes all the rivers. We should have - not only should we have meters on pumps but those meters should be set so that those records - those readings are transferred back to a central database on a 15 minute basis, so that we know exactly where water is. We should treat water as what moves in a valley and that is between the ridge lines. Also Jane mentioned overland flows. That's a ridiculous term, it's water moving down the valley and whether it's in the main channel, whether it's on the surface running over the flood plains, or whether it's underground in aquifers, it all comes out of the sky. Water moves to the lowest level and it all eventually ends up in the sea. If we're going to take a creative accounting attitude, which seems to be paramount, we're going to end up in trouble. And the real problem is that over the last 20 years we've averaged in the Murray-Darling, according to the MDBA figures, that we're down 35 per cent. Now that's a huge amount. And we've seen what happened with managed investment schemes where billions of dollars were lost because of people just with creative accounting, and we know all the disasters that happened there and the corruption that was involved in that.

We're still in the same situation today. I mean I can sympathise with Jane, I can sympathise with Mark Eckel, and I live in this community, but every other community has got the same problems. They've all got aspirations to be better than what they are, but if the water's not there, they're going to be disasters. And if you take Perth, which their inflows into their dams is down 86 per cent, leaving them only with 14 per cent. If they didn't have desal's, Perth could be in deep trouble. I'm not saying it's going to happen here but I'm saying why shouldn't it happen here if it's happened in Perth? And really there's been a gung-ho attitude all along. I've sat on one committee after another committee; I've listened to all sorts of people, you know, put up cases that where they had strong cases for a special consideration, but if you - if there's no petrol in the tank it doesn't matter how flash the car is, you're going nowhere. And there's plenty of evidence to say that we're running low on fuel; in other words, water. That's my main concern, and I'm just deeply depressed about the lack of honesty, not only by people who tell you outright lies but also by people who don't really sit down and really think through the problem and make their decisions before they really understand what they're facing. I mean some of the people are talking about how the drought affected farmers around here. The drought didn't affect farmers around here. The reason I shut down my property, I got \$950 a ton one year, I got \$500 a ton the next year, I got \$250 a ton the next year. The winery, there was about 50 of us contracted to the same winery at Griffith, they told us - the contracts had all been signed the same year, they said the wine - "Your contract's up, we're taking no more grapes, we're going to stay in Griffith".

The spot price was 150. You can't run a harvester over your crop for 150 a ton, so they just walked off. It also happened to coincide with water restrictions, but if we were getting a decent price we could've paid for our water, but I couldn't even pay for the harvester so why worry about whether the water was there or not. I didn't need it because I turned the taps off.

COMMISSIONER DOOLAN: But the issue really is planning for low water and reducing supply.

MR LEAKE: It's got to be taken extremely seriously. I mean I take - I've been to the United States a few times and I've taken a lot of notice there and I've watched their TV programs. Last year there was fires from Mexico through to Alaska, big ones, and on the West - East Coast, sorry, there were floods. And we're just seeing a hurricane go in - it's now inland now, but it had come from nowhere in a matter of days and it was a category four, and only a few mile an hour higher and it would've been classed as a category five. It's now up in the Virginia's, which have had horrendous floods just in the recent times and they're still draining, so they're in deep trouble again. We've got all - and then you can go on and on and on with all the things and we've still got people sitting in Federal Parliament who are saying climate change is not real. They're absolutely, you know - so I won't say what I think of them because I - I can be expressive. But all I'm saying is, let's look at the facts. Let's do what I was drummed into as a kid working for the bank; make sure those figures you've got on that sheet are right. And you can get them right. In those days, and those who don't understand what a steel nib pen and a bit of blotting paper is, I mean we weren't allowed to use biros because in those days biros leaked, and our bit of technology was a crank adding machine, you know, and we could still do it. But it was a good system, and I might - all I'm asking is - - -

COMMISSIONER MADDEN: Maybe you should've stayed in the banking sector.

MR LEAKE: Eh?

COMMISSIONER MADDEN: Maybe the banking sector could've had you stay there for longer.

COMMISSIONER DOOLAN: Given recent events.

MR LEAKE: Well, I won't. Don't ask me about that because I can tell you a few tales there that - - -

COMMISSIONER MADDEN: I think it's an important point around the transparency of information and supports again that not just baseline information in the background, but then also information about options that will impact, so.

MR LEAKE: Yeah, because if we're taking more water out of the river than what the water can supply - and don't ask me how these people get these jobs and get these huge salaries and spend huge amounts of money and then when they walk away, you know, and billions of dollars are lost, and we've seen it time and time again. Something has to change.

I'm 78, so I mean my luck's - all our luck's run out eventually and at 78, you know, I've dodged a few bullets already, so I'm just very depressed about how things are being run in the valley and I think that there's just too many people who haven't been on for too long.

COMMISSIONER DOOLAN: Okay, well thank you.

MR LEAKE: Okay.

COMMISSIONER DOOLAN: Thank you very much. All right, our next participant is Bill McClumpha, VFF.

MR McCLUMPHA: Yes, I apologise for being late, Jane.

COMMISSIONER DOOLAN: That's all right.

MR McCLUMPHA: Lower Murray Water decided to hold their water forum today, on the same day.

COMMISSIONER DOOLAN: Sure.

MR McCLUMPHA: I got there and Mark Bailey - - -

COMMISSIONER DOOLAN: No worries.

MR McCLUMPHA: Everybody was in the room, so that's what you're up against. Good to meet you.

COMMISSIONER DOOLAN: Yes, good to meet you. So, Bill, if you'd sort of sit down and just introduce yourself for the transcript.

MR McCLUMPHA: Bill McClumpha, I'm an irrigator from Red Cliffs, grower - was a grower of wine grapes, still a grower of dried fruit. I'm, besides being an irrigator, I'm with the local branch of the Sunraysia VFF and I'm on the - represent Sunraysia at the Victorian Farmers Federation Water Council, and I'm presenting today as an irrigator, but those other things are relevant to how I see water and what I think the state of play is with respect to the Murray-Darling Basin Plan.

Congratulations on your draft report, Jane. I thought it was excellent. Very circumspect, of course, but I'm seeing a very clear subtext that the Basin Plan as agreed to in 2012 is not over the line, that there's a long way to go, that there's a lot of difficulties on the way and you've very clearly set out the technical aspects of that. I'm interested today in putting my take on the state of the politics are going in the plan and how that's going to affect the, you know looks like affecting the final outcomes. Some of the confusion in debate, some of the common tripes that just keep getting trotted out on a daily basis and are unfortunately accepted by pretty much everybody, including the people with the power to make a difference with respect to the plan.

Just to go back to the basics a bit, the need for the plan. We've got a degraded basin, obviously in need of recovering some water for the environment in order to create sustainable outcomes for communities and irrigators. I think most people accept that. A lot of people wiff about it and say, "Yes, we've got to have a consent plan, we've got to have a plan" but they're not necessarily talking about the same thing as other people who want the plan. For example, I'll talk about specific parties presently but, for example, you've got most politicians on the production side, like National Party politicians; you've got repre groups like the National Farmers Federation, the National Irrigators Council all talking about the need for a plan and being quite pious about it and how they support it and all the rest of it but, as I intend to put to you, their idea of the plan is in fact a pretty much truncated plan with not much real water recovered. That's their idea of it and the politics surrounding the plan is that they've obtained the upper hand in the narrative and their continually putting that narrative, and that's affecting the Government and the Government is very nervous about going out and recovering the water that's necessary to have sustainable outcomes for everybody involved.

I see the plan as a 3200 GL plan, with the efficiency projects 450 GL water recovered, taking the plan to a notional 3200 GL, with nearly 2,500 GL of real water to use and the rest being imaginary water which may or may not show up, that remains to be seen. It's pretty obvious that obtaining the upwater is going to be extremely difficult. Now the environmentally sustainable level of take, as I read it, I apologise for my lay understanding of the plan, but the environmentally sustainable level of take is anything from 3,000 to 7,000 GL, so the science disagrees about exactly what - how much water the plan needs. The plan came in at an initial 2750, they vary towards 3200 with the 450 GL, towards the very, very bottom of what was politically acceptable and would satisfy the legal requirements.

Now just to go through some of the politics as I see it of the plan, some of the key elements. With respect to the plan itself, everybody in this room has been to a whole heap of forums, a lot of meetings and people talk about water and you might - some of you might have noticed that there's a lot of riffing about water in general. There's people talking about water and it's not clear whether they're not clear in their own minds whether they're actually talking about the plan or whether they're talking about water extraction, water reform and all the rest of it. You hear clichés like the corporates, water shortages, water being - shortage of water ripping the guts out of rural communities and all the rest of it, and if you add it all up it is a great big mess. There's no common ground on what the plan is, where it separates from water and in that very confused space the chances of achieving a sustainable Basin are very slim.

Yeah, just some key elements of the push against the recovery of water for the Basin. We've had water buybacks and now we've got - there was an acceptable push against water buybacks which ended up being capped at 1500 GL, which that amount has not yet been brought back. It was very clear that the Government - no Government has got the political appetite to go out and buy more water. Now a successful, a very successful element of the push against water recovery is what I call the socioeconomic battleground. You see a lot of heat regarding the socioeconomic impact of water recovery and that was, as I said, that was very successful with respect to water buybacks, and now that same - that same notion

and the related set of tripes that go along with it are being used to peg back any chance of the 450 GL upwater being recovered. Some of the parties that are involved, National Irrigators Council, the NFF, Dairy Australia, all the people who want water to stay in productive use, DELWP and so on, everybody in this room has got a fair idea of who they are. And on the other side, putting in a good word for the plan, putting in a good word why water should be recovered, putting in a good word explaining why it has to be recovered, putting in a good word sticking up for the plan, there's pretty much nobody. There's pretty much nobody who is effective who gets coverage in the press and who really puts a good case. The people you might expect to see in the press on a daily basis are the MDBA, various conservation groups, et cetera. It just doesn't happen. It's never happened. The MDBA has never effectively retailed the plan, it's never been interested in getting up there and selling the plan and explaining the elements and it still isn't. I don't know the politics involved, I can guess at them but they're being diffident and differential to the other side, who are against water recovery. They won't get into that space and contest it and as a result you've got a dominant narrative against water recovery. That's unfortunate but true and there's a lot of ground been lost and I don't think it can be pegged back and we've still got the problem where the topic of water, water shortages and all the rest of it are still conflated with water recovery under the Murray-Darling Basin Plan, and it shouldn't be that way. The opposite case should be put. Effectively what I'm putting to you today, Jane.

The key element of the socioeconomic battleground is there's the cliché of socioeconomic cost and there's a lot of reports that have been commissioned by various groups and Government with the intent of preventing water recovery by showing that water recovered has a net socioeconomic dis-benefit. That effectively started in a formal sense with the Goulburn Murray Irrigation District Group commissioning the report by the RMC group and that report came out with some text and a whole lot of impressive data about water trading and basically said that water is ripping the guts out of the GMID; it will never survive if more water is taken out; the Murray-Darling Basin Plan is evil; dairy farmers, they're entitled to cheap water, it's been cheap up till now and we might keep it that way, et cetera et cetera. That report, to my reading and objectively, jumps to a lot of conclusions that just are not supportable. For example, it presumes - or assumes that any water sold to the Commonwealth and the economic activity associated with that water leaves an irrigation district for good and cannot be recovered, and the whole report and other reports like it are based on that assumption, and that's getting away with the general confusion with respect to the whole water space, the whole topic of water. As most people - well, most irrigators and hopefully a lot of people in this room would realise, a path for water sold to the Commonwealth doesn't mean that the associated water - the associated economic activity associated with the water necessarily leaves the district. I myself have sold water to the Commonwealth and kept irrigating by buying other water, other permanent water from other places. So the water I sold to the Commonwealth did not result in this district losing water. Down in the GMID a lot of irrigators sold water to the Commonwealth because there was a - there was a premium on the price compared to the market and they got - realised a lot of valuable capital and decided, "This is great, I've got all this money, I'll expand my herd and I'll buy more blocks and put in irrigation and all the rest of it with that capital that I've just realised because water's cheap and I can buy temporary water". So they made a decision to alter their portfolio, they continued producing, in fact they produced more after the water had been sold to the Commonwealth. So we've got this

difficult notion of water leaving irrigation districts and that difficult notion is misunderstood and it's played on in this - in this socioeconomic debate and it's still dominant today. People still think that because the Commonwealth recovers water through buybacks or through on-farm efficiency projects that the economic activity associated with that water is lost to an irrigation district or is lost to irrigation, and it's just not the case. That's not how it works.

COMMISSIONER DOOLAN: So from your perspective then, the definition of socioeconomic neutrality, which is in the plan, which is just the participation of the individual, that's sufficient?

MR McCLUMPHA: Well yes. I'm not getting at the test so much, I'm getting at the - at what surrounds it. The fraught politics which says that water bought back necessarily is a negative for a community. And, you know, as you point out, that's not - well I think you're pointing it out - that's not necessarily the case. Now with the socioeconomic test, Jane, unfortunately there's never any consideration - I'll get to it later hopefully if I remember - but there's never any consideration of the positive socioeconomic effects of water recovered. And the plan is essentially a plan which says that if you recover water for the environment it's worth doing because the socioeconomic benefits are going to be positive. That's why we're doing it; that's essentially what the plan is.

Now studies like EY and the ones that followed don't consider the positive effects of water recovery. They don't calculate the benefits to the community of having a sustainable system, one that's not deteriorating, one that hasn't got increased salinity levels and all the rest of it. They don't consider the benefits of the amenity to a particular community and the whole community. They don't consider the economic effects of - the economic positives of sustainable biosystems, biomass, biodiversity and all the rest of it. All that stuff is there waiting to be considered and valued and it's not; it's just being completely tossed and ignored and the whole of the debate has gone completely the other way.

That report, the RMCG report, went really well; irrigators loved it, Governments loved it, the Victorian Government liked it so much they commissioned their own version, which was the TCA report, and that's now, you know, official Government policy which is purporting to show that the Basin Plan water recovery is socioeconomically negative and that any further water recovery will be socioeconomically negative. The Victorian Government report does not show the positive aspects of water recovery, and it should. And it also plays on the ignorance about how water goes in response to market signals from valley to valley, farm to farm throughout the whole southern connected system. None of that is acknowledged in a rigorous way and, you know, the whole debate is skewed because of the misunderstanding of just how water works.

Subsequent to the TCA report, DELWP and the farm lobby wanted to have a more academically acceptable report, one which would be more rigorous and one which they could take to MINCo and knock on the head for good the idea that water recovery was possibly neutral or - was neutral or positive and they wanted to show that it was negative and kill off the water recovery for good, so they - Victoria and New South Wales progressed that through MINCo and the Federal Department in response commissioned the EY study

which ultimately ended up coming down in favour of water recovery, showing that it could be - it was probably neutral or positive in socioeconomic terms. EY was an embarrassment to Neville, to Ms Neville, who commissioned that report or helped progress the report and EY has subsequently been pretty much killed off and buried, disrespected, not referenced and all the rest of it, all the things that happen to something that's politically unpopular. But that report's important because it shows that water recovery through efficiency schemes, you know, can have socioeconomic benefits and it would be - it helps - it's one of the things that can help justify recovery of sufficient water to make the Basin sustainable, the extra 400 GL. Now, where the - - -

COMMISSIONER DOOLAN: So, Bill, - - -

MR McCLUMPHA: Yes, sorry Jane.

COMMISSIONER DOOLAN: Sorry, we're just going to have to move on.

MR McCLUMPHA: Okay, well just to - how much longer?

COMMISSIONER DOOLAN: Five minutes?

MR McCLUMPHA: Okay, well the - at the moment we've got - we had David Littleproud come into office. He backed the full 3200 GL plan and said that he was going to recover the 450 GL upwater through - well hopefully through efficiencies, on-farm efficiency amongst other things. That really caused things to hit the fan with the farm lobby. There was a big backlash against Mr Littleproud and he ended up - appears to have ended up at the - at the last MINCo agreeing that the socioeconomic test that EY proved could enable the recovery of more water. He agreed with Victoria and New South Wales that that - and the farm lobby, that that test should be widened. So we're seeing extreme pressure to have that test configured in such a way that the water cannot be recovered; you know, which - they want the test to say that you can't recover any water because it's going to decimate rural communities. That's where it's headed. And it's not just me, David Pat said the same thing the other day in the next article in the Sunraysia Daily, some of you might recall that. So where we're headed now is successful lobbying by the farm lobby, by Victoria and by New South Wales especially to broaden the socioeconomic test in such a way that further water recovery - the further significant water recovery won't be possible and the Basin Plan is going to be left without enough water, and any future water efficiency gains from on-farm efficiencies will be remaining for consumptive use; they'll stay for productive use, they won't be going in environment. So if you've got a view of the plan like I have, the Basin's going to slowly die for that reason.

I just want to follow up - follow - wind up just with a few notes on some of the tripes that - a tripe is a recurring motif that you might hear from time to time about, you know, water being ripped out of the guts of communities. If that water is recovered it's going to be (indistinct) or horticulture. That sort of thing you would have heard of. Another big one is "Oh, the water's not going to fit down the river". Now we hear that constantly. The Minister was in Mildura last week, she said the same thing, "It's no good recovering the water, it's not going to fit down the river". Peter Crisp had an article in the Mildura Weekly

a few months ago - all this is on record, yeah I'm not trying to libel the Commission - Peter Crisp had an article in the Mildura Weekly a few months ago saying that, "Oh, it's no good recovering the - it's no good recovering upwater, it's not going to fit down the river". Now I think - well I've heard this plenty of times and I imagine some of you have as well, and you might have heard it yourself, Jane. And it is not supportable. It's a very tricky one to get your head around. I didn't understand it myself, I didn't know how this works and I sort of had an idea and it was wrong, but I rang up Dairy Australia; Claire Miller was the person running all the Basin Plan stuff for Dairy Australia. A very, very capable woman, she's working based in the water space a lot of time, you might - the others should know her - and she put me through the hoops and pretty much had me convinced that, "No, you couldn't recover water because it wouldn't fit down the river". And I researched it a bit more and I was lucky enough to get some direction from Environment Victoria, Juliet Le Feuvre looked up the stuff for me, and there's an excellent document on the Murray-Darling Basin website called "Hydrologic modelling of the relaxation operational constraints in the southern system". And that goes through and gives various scenarios for water recovery, plus removal of the constraints. Now constraints were agreed to be removed as a critical part of the Basin Plan and what Claire didn't tell me, and what other people won't tell you and they may or may not know themselves, they probably don't even know, is that if the constraints are removed, as the States agreed to remove them but they probably won't because there's too much opposition from the GMID and various irrigator groups and all the rest of it, but if they do remove them fully like they said they would, the whole 3200 can be used. It won't all shoot out the end of the river and be wasted. You can shoot it down to where you want it, it goes out onto the flood plains and gives you the - all the benefits that more water should give; improvements in the health and resilience of inundated flood-dependent vegetation, refreshed flood plain groundwater systems, flushing of salt, improvements in lateral connectivity and nutrient and carbon exchange between the flood plain and the river which support fundamental ecosystems. Well, to me, that stuff, that is what a plan's about; getting the water where it needs, getting the outcomes from it and then letting the system hopefully - well the plan hasn't got that much water anyway but it's a start, and you've got a system that might be able to sustain itself instead of dying.

And just to finish off, well one of the things I want to finish off on, Jane, is that in your report you mention that the Government has never really put any work into defining the socioeconomic test and it really should do so, and totally agree with you there. What I think is pretty obviously needed for the successful Basin Plan to go ahead, is for that test to also monetize and model the benefits of water recovery. Salinity outcomes, sustainability, socioeconomic - you know the various socioeconomic benefits that come from having a healthy, sustainable system, and there's plenty of them, but there's nowhere in the Murray-Darling Basin Plan, nowhere in the Murray-Darling Basin Plan politics that surround it has anybody said, "No, you've got to take into account the benefits". So you've got - you've got the dairy lobby, you've got the National Irrigators Council, you've got everybody else running around tearing the thing down and yet there's a tool there, there's a way in to counteract that. There's a way in to not make - well to displace the dominant narrative against the plan and against water recovery. There's a way there to recover the situation and explain why the plan can go ahead and can benefit irrigators and everybody in the community and, you know, give things a chance to get back on track for the future and move forward, instead of slowing dying in front of us because people want to extract

it to death. There's a way forward, and Jane I want you to take - take that opportunity and hopefully put it in your final report.

COMMISSIONER DOOLAN: Well thank you, thank you Bill. John, have you got any follow up questions?

COMMISSIONER MADDEN: Only out of interest, is after your efficiency project, when you bought the water.

MR McCLUMPHA: Yep.

COMMISSIONER MADDEN: Do you know what entitlement that was? Was it a local Murray entitlement or?

MR McCLUMPHA: Yes, I - at the time I was very concerned about the quality of Victorian entitlement and justifiably concerned because the allocations were - at that particular time were threatened or were low, and I moved to bolster my portfolio with New South Wales high security water. Which has got its difficulties, you've got different characteristics; it doesn't have carryover attached, but the benefit of that is that you get 97 per cent of your water on June 1. It's not dribbled out and you always get it. And just on that point, every irrigator, with respect to the plan, no irrigator has had their water taken off them. You keep hearing on a daily basis that water irrigators are going to have their water taken off them, through efficiency gains or whatever, they're going to have their water taken off them and given to the Government. It's not the case. If you get on-farm efficiency programs, they don't get their water taken off them. They get consideration for that water and they get a net benefit and they go out and buy more water. If the GMID wants to take the opportunity to modernise itself instead of staying in the Dark Ages, it can participate in the on-farm efficiency program, which is now knocked on - they've knocked it on the head, but they could've got, you know, five or six hundred million dollars, they could have all - a hell of a lot of irrigators here could've modified their systems and moved into the modern day instead of mucking around with ancient systems that they're going to be stuck with forever now because they've passed up on this opportunity. Every irrigator - no irrigator has ever had their water taken from them, it hasn't been stolen, it's been bought for good consideration. Every irrigator can work in the market. Every irrigator - I'm not holding myself up as a fantastic example, but every irrigator can decide on a level of risk and can structure their portfolio to deal with that level of risk according to what they perceive their needs are. And that opportunity still remains. And if the Basin Plan went ahead and recovered all this - if the authorities, the MDBA, the Governments, had the foresight and the ability to withstand electoral pressure, they could get those programs rolling, as the EY report said. They could recover that water and that recovery of the water would be a net benefit for every irrigation district, especially the Goulburn Murray Irrigation District, and they're passing up that chance. It is a tragedy.

COMMISSIONER DOOLAN: Okay, well we're due in Shepparton next week, Bill, and I'm sure we'll hear from the GMID.

MR McCLUMPHA: Yeah, well wear your armour, Jane, and you're going to hear - you're

going to hear the opposition absolutely loud and clear and none of the stuff I've said will be mentioned.

COMMISSIONER DOOLAN: Okay. All right, well thank you very much.

MR McCLUMPHA: Yeah, thank you.

COMMISSIONER DOOLAN: Okay. Our next participant is David Arnold from Bindara Station.

MR ARNOLD: Good afternoon.

COMMISSIONER DOOLAN: Could you just introduce yourself for the record.

MR ARNOLD: Yep. So I'm David Arnold. I'm from Bindara Station, which is up on the Darling River, just below Menindee Lakes. Righto. The submission I put in was a bit short, it was lack of time and last minute. But I guess the main things that I wanted to guess highlight to the Commission is you're here to do a review of the Murray-Darling Basin Plan and how it's been rolling out over the last five years, and I guess from my perspective is possibly different to a lot of other perspectives that you'll hear from an irrigation perspective. Our issue is more about liveability on our property and tourism from being on a river with water in it. In short, that's effectively our main concerns. Having water to irrigate a private orchard and the likes is part of our liveability and that's certainly an issue as well.

I guess with the release of the Australian Institute's report recently into the buybacks from Tandou Station, or Webster's as it was, I guess it highlights again how - the difference between how governments deal with big business and how they deal with normal people. The fact that, you know, they've offered - and it's not only offered but in fact sought out to pay compensation to a company to pull a water entitlement out of the system, yet, you know, no one else was being offered compensation; you know the townships have not been offered compensation with property losses or value losses. You know there's just - there's massive disparity between how different portions of - or the interested parties in the Basin Plan are being treated particularly in the Menindee region. I don't have the hard numbers but, you know, I've been - reported that up to 700 jobs are been lost in and around Menindee Lakes, including withdrawal of Tandou from irrigation. But, you know, 700 jobs lost in such a small community is massive, absolutely massive if you go back and look at a percentage of the people that live there and what means to the community. It's just absolutely devastating and it's not just Menindee, you're talking about a wider district including Broken Hill, you know, Broken Hill right through to Wentworth, including Wilcannia as well; like the whole region suffers. With the job losses that have been pulled out of the district due to, I guess, the management of the Menindee Lakes and also the management of the Upper Darling tributaries and what's now become, since the plan has been implemented, a less reliable water source in the Menindee region, and in fact an unreliable water source in the Menindee region.

The decommissioning of the Menindee Lakes or the supposed water savings project in the

Menindee Lakes, Jacobs report which I haven't had a chance to read yet, I only had a look at it this morning briefly but, you know, the Jacobs report has made a couple of very clear statements about what the water savings project for Menindee contained in the - what they very loosely term the - they call it the - - -

COMMISSIONER MADDEN: The business case.

MR ARNOLD: The business case, sorry, that's the one. I read it and it in no way forms a business case. It's simply a list of projects that are going to be done in Menindee. It was obviously the redacted version that I got to see but, you know, what come out of the Jacobs report is that there was virtually no quantitative evidence to say that there was even going to be a saving, let alone being able to determine what it might have been. And for, you know, SDL adjustments to be allowed to go through and be effectively implemented based on projects such as that, that don't have any quantitative evidence to suggest that the outcomes that they may achieve are actually achievable is quite bizarre at best.

I personally think that the - what's been done as far as the Basin Plan, the implementation and particularly the current Federal and New South Wales Government, I think the only way to get to the bottom of it is going to be a Royal Commission, as much as everyone is going to be kicking and screaming and justifying why they shouldn't have one. It's just the only way that you're going to get to the bottom of it is through something as significant as a Federal Royal Commission.

There was mention before about the constraints management within the, particularly within I guess the Murray Valley. I was only thinking about this over the last few weeks. I believe the constraints - and forgive me if any of the details I say here is incorrect, I'm still trying to get up to speed and remember stuff from years ago that I've read - the constraints management was put in place so that people that had moved down into the flood plains to grow and to graze and to use the flood plains for productive purposes wouldn't be impacted by the management of the river by the Murray-Darling Basin Authority, and that sounds all fair and feasible, but I guess it also changes people's perception of what a river is.

I know people's perception of, and I use road as an example, people's perception of a road is the bit you drive on. And you go, "Okay, where's the road?" "The road's over there, it's the black bit between the two bits of kerb". In actual fact the definition of a road is in fact the entire road reserve; it includes the nature strip, the footpath, right up to the property boundaries. And I think the way the river is being managed, particularly with the constraints mechanisms that have been put in it, is people view the river as this channel that runs across the country. It's this river channel. Once it flows outside the river channel you're exceeding the capacity of the river. That couldn't be further from the truth. The river is in fact not only the river channel but the flood plains as well. That is what forms part of the river. That's what forms part of the ecosystem. And the fact that the constraints management has been put in there and for fear of, I don't know whether it's reprisal from the people that are using it or whether they - I believe they fear that they would be subject to financial damages or financial loss if they inundate those flood plains unnecessarily.

And then I started thinking about our issue on the Darling River where we have flood plains

that haven't seen water in, you know, or have seen water once in the last 20 years. And what that means for us is, you know, when I was young we had lignum that was so thick you couldn't ride a motorbike or a horse even through it. It no longer exists, it's not there at all. It's nothing more than a bare, grey bit of dirt. We've got, you know, hundreds of acres of box trees that, you know, for as long as I can remember, which is almost 40 years, we had all these box trees everywhere. Almost all of those have died in the last 20 years, particularly in the last ten. You know, the river isn't just a river channel, and anyone who is thinking that the river is a river channel is not thinking big picture, they're thinking far away from reality.

One of the other reasons, I guess from a management perspective, to keep water in the river channel is that the plan seems to identify specific environmental outcomes which it plans to improve at specific locations. (Indistinct) is always touted as one of the, you know one of the real benefits of what the plans achieve and there's a couple in South Australia as well, I believe, but at what cost to the rest of the environment? At what cost to places that haven't been identified as, you know, perhaps as much of a golden child or a location that they can say, "Hey, look at what we've achieved". The river from end to end has lots of, you know, creeks, lots of flood plains that, you know, are really significantly suffering because they're not on the chosen list. And if you let water flow out of the channel and it's not going to one of three things being either environmental-specific locations, across the South Australian border as a GL value, or sucked out of the river for commercial use, then effectively the plan considers the water lost. If they flow a river and it flows out of the river channel, then all of that water that goes out is effectively lost; it's not treated as - well water losses in the system are in fact - or do in fact have environmental benefits. Nowhere is any of that, you know, triggered in the Basin Plan. Everything is so quantified that, you know, unless they can put a definitive figure on it or a definitive location for it, then it's just assumed as a net loss in the system and they are trying to reduce losses at all cost. And that's particularly obvious with the Menindee reconfiguration plan. It's nothing more than taking water out of an environment so that you can justify less water being taken off the farmers. So it's a double whammy for the system.

So the property that I grew up on since I was two years old is the Bindara Station. It used to be called Netley. In its heyday back in the turn of the - well, back in the 1900s, it was close to a million acres and actually went right across to the South Australian border. We've got records of them actually putting irrigation infrastructure in around 1875, so you're talking a long, long time ago. And that was considered obviously as a fairly reliable water source in the Darling River. You hear lots of reports about how the river used to always go dry every year and, you know, it was never reliable and the lakes were (indistinct) and therefore they, you know, often didn't have water in them and all the rest of it. In 1875 they were setting up pumping infrastructure to water lucerne for racehorses and they had gardens and they had an orange orchard, and this was prior to 1900. So, you know that goes to show that the water in the Darling River, even before the Menindee Lakes system was reconfigured with the weirs, was a fairly reliable and significantly reliable source of water. Up until the configuration of the - or the reconfiguration of the Menindee Lakes, we've got on record potentially three significant, I guess, cease to flow events in the Darling River where they've actually - they went to the hassle of putting in a - or constructing a weir to hold water back for their pumps. Since the construction of the Menindee Lakes in the 60s

and in fact since 1947, I believe, we - up until then, I guess the start of the Basin Plan being 2007, we had one cease to flow event. So from 1870 through to 2005 - sorry 2006, that's 136 years, four significant - what I'd call significant cease to flow events that I'm aware of. Since then we've had three significant cease to flow events, so that's three in the last 12 years. Of that, as of December this year, we will have had two in the last six years. So this is to - and the reason I'm counting the one coming up is because the river's expected to cease to flow in December. There is no water in the upper system coming down that we're aware of yet. We may get a big rain in the next week. It may not be until who knows when. It might not be for another 12 months. So the cease to flow event that we're having to manage in the very, very near future is likely to be the second significant cease to flow event since 2012.

So you're here to look and see how the Basin Plan has been going over the last five years or how it's gone in the five years that it's been implemented. So this is what I put to you. In the first 136 years of information that I have, it ceased to flow potentially - well more than that actually, 140-odd years, it ceased to flow four significant times. In the last five years we're going to have two significant cease to flow events, and that's the five years since the Basin Plan has been implemented. So you've spent \$8 billion on a plan that has significantly reduced the water availability and reliability in the Darling River, particularly below Menindee Lakes to Wentworth, and all it's done is decimated a community. Now you can look at all the benefits it may have had somewhere else, but for our region it has absolutely decimated the community.

And to give you a bit of an idea of once again what that looks like to me personally, you know, we have a property that, you know, is potentially worth upwards of \$1m with the water security it had prior to the Basin Plan, prior to your water sharing plans in 2012 in the Upper Darling tributaries. We now have a property, with the water reliability that we're seeing, as being unsaleable. Now this isn't just a business, this is our house, this is where I grew up. We've owned the property since 1981. The property has survived droughts, floods, two World Wars, union blockades, all of that stuff over the years it's survived. The Basin Plan has been in for five years and it's destroyed it. As simple as that.

The area basically from Bourke to Wentworth along the Darling is just - it's been totally forgotten. It's been ignored and it's been - everything has been pilfered out of that area purely because there's no votes there to stop it. And it's been shared to where there is votes and where there is money, and I don't think that was the intention of the plan initially, I don't think it's the intention of perhaps those who put the plan in place, but that's the outcome and that's what the Basin Plan has done for us and our community.

COMMISSIONER DOOLAN: Thanks for that. So looking forward, how do you see it being fixed? What do you want to see? Shifts and changes in the Water Resource Plan? Differences in how the Menindee project is going to be progressed?

MR ARNOLD: As I guess you're well aware, making assumptions and - assumptions of what water you're going to recover and making assumptions about how things can progress is all well and good, but you need to see how that works on the ground. You know, you can make all the assumptions in the world, you can do all the calculations and all the

modelling you like in the world but the inherent thing with modelling is, if you've got one piece of data incorrect it makes everything incorrect. How do you fix a problem? You fix a problem by coming back to having or assessing the critical needs first. I don't see how you can allow irrigators to extract water while people and townships don't have any to flush their toilets and have a shower in. That to me is bizarre. You know, you've got to have a hierarchy of water use, you've got to have a hierarchy of water security. I'm possibly going to be at odds with a fair number of people in saying this, but there was no problem before the water was unbundled from the land. Now I realise you can't go back to that, but when the water was attached to the land there was more water allocated than was ever used.

Now what happened with us, and I don't know how far this example spreads, but what happened with us is, and our neighbours, we had a small entitlement, I think it was about 120 megalitres. Of that 120 megalitres we might have used 20 megalitres at most every year, that's how it was. Our neighbour I believe had about 320 megalitres and they probably used less than us. So that's just two examples of water that was allocated that essentially was environmental water that ran down the river. Now when the water was unbundled no one cared. They had an entitlement, they didn't care. The water was in the river, they didn't care, they didn't use it, nothing changed. The Government then come through, the New South Wales Government come through and said, "Okay, if you don't use that water you are going to forfeit that water allocation", so we had no choice but to sell that water, or it was going to be taken off us anyway. So through, I can think of nothing more than, well, maybe there were other reasons, but from what I see is greed from the Government to be paid for the water usage and water allocations, all of a sudden all of this dormant water allocation that had been there since allocations were invented all of a sudden started to get used. It started to get shared between the valleys and because it went into commercial interest where it had a commercial value, either for trading or for growing crops with greater commercial value, it has been endeavoured to use 100 per cent of all the allocations.

You then have a further issue in the Barwon-Darling Water Sharing Plan where, you know, it's - once again you've got allocations, you've got a potential 300 per cent allocation if you don't happen to get all your water in one year. So all of a sudden not only do you use 100 per cent of your allocation in each year but you can carry that allocation over, potentially, and take water for a year that you're not in. Now, once again I'm not over at all 100 per cent but it seems silly to me that we're - we talk about, you know, taking water out of these communities, we're going to decimate the community, we're going to destroy the community. Well what was the community like before that water got unbundled? What was that community like before all these plans come in that give them all of this water that they've never had before in history? You know, someone has to give up water for the river to survive. There has to be a water allocation given to the river for its function, for its purpose. You can't just measure environmental water at specific sites, you can't just measure environmental water when it crosses the South Australian border. What about the water that is consumptively used by a river actually even being there? You have losses into groundwater, you're going to have evaporation, you're going to have all the other things that happen to water when it's in its natural environment. How can that be taken out of the equation when every millilitre of water is measured, or should be measured, for farming purposes? Someone has to give up the water, and at some point in time someone is going to go backwards. But at the end of the day this is a - it's effectively it's a national basin.

It's across four States, including the ACT, as a basin. The good of Australia has to be put above the benefit of companies. The good of communities has to be put above the benefit of companies and some communities are going to have to go backwards. And if that means that they have less farming in their community so that other communities actually have enough water to shower and wash their kids and wash their clothes and flush their toilets then that's a decision that's going to have to be made. Failing that, you effectively are prepared to kill off whole communities and whole regions to support the dollar for a few people.

COMMISSIONER DOOLAN: Okay. Do you - - -

COMMISSIONER MADDEN: No, I think - obviously we've heard this morning similar issues and talked through some of the things going forward that deal with rules and stuff. Because in the end we do have to look at what real changes have to occur to make that balance occur. So I think goods points there around that hierarchy and how you actually get that articulation of what you need. I guess for us it's looking at the processes, but more importantly the time allowed in those processes to address what obviously - and is recognised by I think New South Wales as inefficiency in the current arrangements. So we've made some recommendations in the draft in regards time to allow that to occur. I guess the issue for us is to articulate some principles about the importance of a good process to address that. It's difficult for us to actually say, "Well you should then adopt that rule", but I mean it's been very good for us to hear, and importantly some articulation of the problems, some start of potential solutions, like the hierarchy and event-based management. I start thinking of some issues around, well more systematic and short-term review on outcomes in places like - so how do you actually have events trigger reviews under the Basin Plan. I mean that's something that we can have discussions with the Authority and others, not just it's set for ten years and then changed; like under the Water Resource Planning construct it is very much a ten year kind of reset, and that might not be the case or the best approach.

MR ARNOLD: And I guess from, you know, from our property we don't have groundwater as such. We can put a bore down and the bore is in the lands of the river. It's as simple as that. So extracting water from below the sand in the river bed. Nothing more than that. So in the next couple of months we'll be in a situation, and probably by April next year, we'll be in a situation where we may not have water to flush the toilet. So our closest water supply is either going to be Menindee, which is probably going to be in exactly the same situation, or Wentworth, you know, and Wentworth's 240 k's away, Menindee's about 80 by road. That's our closest water source. You know, this isn't about, you know, we're losing business and we're not going to be able to make so much money this year. This is, you can't live there. You know, you're removed from your house because you don't have a basic amenity of water.

In answer to your question, very short and succinct, about what I see as a solution. The only solution I can see is you need to wind back the water usage to something that is sustainable. I don't believe the Basin Plan does that. And once again it's not about the amount of water that you flow out to sea and dilute the ocean water or the sea water, it's about having the water within the rivers to maintain the rivers' health. Yes, that includes

flow from one end to the other but you still have to maintain the river in the middle, wet. If it's not wet in the middle you haven't maintained a healthy river system. And the only way I can see that happening is simply any water portfolios or anyone that owns a significant water portfolio over a fixed amount simply loses a proportion of that from high security to general security or to low security, so that you can have - when there is no water you have a very limited amount and people need to have security about how much they're going to have as a definite. I don't care how big your business is, you need that. But the rest of the water should be there when the water's there. For example, Tandou sold, I think it was \$34m worth of flood allocation to Penny Wong when there was no water. Now just - I don't know about you but to be honest, when there's a flood I don't care how much water they take, it doesn't matter, it becomes irrelevant. Yet Government money was spent purchasing that water in the middle of a drought, and then that water is then put in and said, "This is environmental water". Well, who cares? It wasn't being used anyway and when it was, who cares? There was so much water it didn't make any significant difference.

People have to get outside of Canberra, outside of Sydney, and look at realities, not just look at figures in columns and, you know, numbers in cheque books. They've got to see what actually happens on the ground, and I think there's a big disconnect between reality and what is often put into these plans and when people go through and assess plans and check projects that one of two things; they're either very, very ignorant about what actually that means on the ground, or they just don't care what the actual outcome is.

UNIDENTIFIED SPEAKER: (Indistinct words.)

COMMISSIONER DOOLAN: Okay. All right, well - - -

MR ARNOLD: Yeah, thank you very much.

COMMISSIONER DOOLAN: Thank you. Thank you, David.

MS STRACHAN: Will you accept two little points?

COMMISSIONER MADDEN: Yes, we're going to open it up.

COMMISSIONER DOOLAN: Yes, so I was just about to say. So that does conclude all the scheduled hearings but there is an opportunity now for anybody else who would like to sort of make some comments or even address some of the concerns that have been raised in other people's submissions.

COMMISSIONER MADDEN: You're right to go.

MS STRACHAN: Just go up to the table?

COMMISSIONER DOOLAN: Yes, sorry, it will have to be at the table.

MS STRACHAN: It's just two brief comments. One thing that the Basin Plan I don't think actually has considered is that it's actually just created another irrigator. And one of

the problems that I have with the (indistinct) and OEH and what not, is that they have water allocation for that year and they have to achieve certain outcomes, and they want to be seen to achieve certain outcomes but it doesn't leave anything for the long-term. So they're seeing it within a very specific 12 month period, rather than having anything to actually keep the rivers flowing and have that instream health and longevity. So it's just exacerbated what David was talking about, that we now have an additional irrigator more effectively using that water which used to maybe sit redundant in accounts that actually quietly achieved outcomes for the environment but now it's actually got a productive use expected of it.

The other thing, Jane asked David and a couple of others in the room here too about well what did they see as the solutions of addressing and fixing the Basin Plan. It's really hard when the information hasn't been transparent and the assumption that local communities understands what's actually being imposed on them purely puts them on a reactive foot, to be very anti-plan. And I think that's a really big deficiency of the MDBA in that they're not willing to come out and really truly explain the benefits or their long-term vision of how this is going to be something that we need to adopt into the future. So that was my two points.

COMMISSIONER DOOLAN: Okay.

COMMISSIONER MADDEN: Thank you.

COMMISSIONER DOOLAN: Thank you. Yes?

MR ARNOLD: Sorry, there was one more, one more point I missed before so I'll throw it in here. In relation to, I guess, the use of figures and data. I'm a data person, I like numbers, they need to add up, so I enjoy playing with numbers. But the - and don't quote these numbers as being correct either, by the way - but to give you an idea of where things fall down is, in the plan, in the Darling - or the Barwon-Darling system I think they quote an average of 9,500 ggalitres a year or thereabouts on average as a follow in the so-called Darling River. That sounds all great and I believe that's a figure that most things are based on as far as water sharing plans and everything is based on. But when you look at - when you actually start to break that figure down, and I did actually have all this in my head and correct numbers about 12 or 18 months ago, by the Government's own documents over the hundred years that's your long-term average. So you think, "That's all right, that's a fair and reasonable explanation, 100 years, the longer the term you take it over the better the average is going to be". That doesn't work in a very highly volatile and highly variable system. So to give you a bit of an idea, and I'll break it down, in 80 years out of a hundred you had flows of less than 5,000 ggalitres. So all of a sudden you're almost at half of your average for 80 per cent of the time. So I'll break it down further. In 60 years out of a hundred you had actually less than 2,600 ggalitres going through the river. So more than half of the time you have almost a quarter of the volume that they tout as the average going down your river. And then you have, like I say, water sharing plans to compensate that for the irrigators, where you can take water for another year, whether it be forward or back or however the system works.

Now in three years, in the data that I had there, in three years, so 3 per cent of the hundred years, over 10 per cent of the total volume of water that went down the river occurred. So you have an average - a long-term average of 9,500 giganlitres a year. More than half of the years you have 2,600 giganlitres a year. In one year, once again off the top of my head, 57,000 giganlitres in one year. Now the long-term average very, very majorly distorts the realities of the river, and the fact that the water sharing plans and the Basin Plan is based on, I believe, that average, long-term average figure, it's totally distorting the realities of the river and it is absolutely 100 per cent not sustainable, because more to that, that, you know, they say, "Well you're going to have more water down the river with the implementation of the plan", and what they're counting on is that they're counting on the more water on a long-term average being - they're going to have years when there's going to be 50 to 60,000 giganlitres of water going down the river and it will make up for the lack of water over the next ten, 15, 20, 30 years and they can still say, "Yes, we achieved more water down the river, therefore, the plan has been a success". The reality is, the river may have been dry for the last 15 years, and that in itself, while the figures say it's a success, the reality says you've killed it, absolutely.

COMMISSIONER DOOLAN: And I think we did hear that with earlier submissions too, that it was around event management and low flows in particular, and how to share in those low flows.

MR ARNOLD: And it's how to use the figures to achieve a practical outcome, not an imaginary outcome. And when you have - and anyone who does, you know, does averages, if you've got a highly variable set of averages the first thing you do is knock off the top percentage and the bottom percentage and then you start to play with the averages. There's no point doing averages when you have extreme events that are four, five, six, 700 times what most of the other figures are because it totally skews - it totally skews your figures and it just simply doesn't equate to reality.

COMMISSIONER DOOLAN: I do understand that. Bill?

MR McCLUMPHA: Yeah, just a few things I've missed, Jane. Just wanted to recap, especially in light of your upcoming visit down to the GMID. I just wanted to go over the - I don't think I mentioned the notion of - of conflation where, when you conflate something you associate it with something else so the ideas merge and things can be very confusing. Well that's especially true with water which is, you know, confusing in itself. And one feature of the narrative of the debate of the whole - everything that's surrounding the Murray-Darling Basin Plan is the conflation of rural decline with the Basin Plan, and that it goes on a daily basis and it underpins a report I discussed and, Jane, when you're talking to everybody in the GMID next week you're going to be hearing a lot of conflation. All the problems of the GMID are going to be blamed on water recovery, et cetera, et cetera. And the things that actually have caused rural decline don't get mentioned. And they are terms of trade issues, water availability, social change, technological change and all the rest of it. Some of these have been outlined in the Murray-Darling Basin Plan assessment and the economic reports of 2017 and 2018, they go into them and they make the point, which is an obvious objective point that everybody should know anyway that, yes, there's been a lot of rural decline and job losses and all the rest of it, but there's a lot of factors at play and

it's not just the Basin Plan. And yet we've got the situation now where everybody feels like they've got the right to go around and point the finger at the plan and say, "Our community is going downhill. The dairy factory closed. This factory closed, that closed, everybody had to sell their cows because of the Basin Plan", when that is absolutely not the case. And it's very distressing to see this conflation just continue on.

Now I'll just give you a quick example. Take it as you like but objectively I believe that I'm on pretty safe ground. There was a letter in Sunraysia - the Sunraysia Daily last week from Richard Anderson of the - Chair of the Victorian Farmers Federation Water Council. He says - it's very brief, I'll just read it out, won't take a second - he says, "Farmers in Victoria have been hardest hit by the Murray-Darling Basin Plan and the northern Victorian dairy industry is significantly worse off as a result. Analysis of the MDBA's community profiles reveals Victoria has lost over 2,220 more full-time agricultural jobs than any other State in the southern connected system. The data shows Victoria has lost a staggering 5,000 full-time ag. workers compared to New South Wales 2,900, South Australia's 2,300. This is only 48 less than both New South Wales and South Australia combined". He says, "We have long suspected Victoria was the hardest hit. Now we have hard evidence based on the MDBA's own work. The Basin Plan effects on Victorian communities are real. Victoria has prepared endless reports highlighting the socioeconomic impacts of the plan. It's high time that Canberra started to take notice". Now I don't know if you've read this letter or - but you would've seen similar ones and you would've heard similar stuff. What he doesn't say is that that data isn't about those job losses that he quotes there. The MDBA doesn't say that they're due to the Basin Plan. It says that they're overall job losses in the basin over a particular period. Now the final paragraph, you know, "We have long suspected the Basin Plan effects on Victorian communities are real". What he's doing there, and he's not alone, it just goes on a daily basis from every politician, every DELWP does it, Lisa Neville does it, every water minister does it, every National Party politician and most Labour politicians do it as well, they continually conflate rural decline with the Murray-Darling Basin Plan. And it's one of the reasons that the Murray-Darling Basin Plan is under threat because this sort of low rent misuse of debating principles is allowed to run out unchecked and it's another reason - or it's another aspect of the MDBA's unwillingness to get in there and right the ship and explain exactly what the situation actually is. They just won't do it. You know, I've had a lot to do with the MDBA over the years; I ring them up, I've said, "So and so's done this. This report says that. Why don't you, you know, counteract that argument? Why don't you put the opposite narrative and protect your plan?" There's never been any interest in doing that. It's been anodyne, it has been pathetic.

Just one final example, Jane. Conflation. The Murray River Group of Councils commissioned a thing called the McGowan Report. Are you familiar with that?

COMMISSIONER DOOLAN: I don't think I've seen the McGowan report.

MR McCLUMPHA: Well it's available on the Murray River Group of Councils website. Now it is - calls itself qualitative research, which means it's not - doesn't have to be backed by facts and figures, that's what people feel, and you've got a lot of Basin irrigators, a lot of Basin identities giving their feelings about water, about rural decline and all the rest of it, and the whole report was commissioned by the - well by the GMID councils with the

purpose of conflating rural decline with the Basin Plan. And so people are riffing about how tough things are on the land, how they haven't got any water, there's no allocations, their cows are dying, everything is horrible, and the report points the finger - edits things and presents things in such a way that everything that the people are complaining about is due to the Basin Plan. And worse still, Jane, it's got an accompanying video, edited very cleverly to that effect; saying that the Basin Plan has ripped the guts out of every community from Wodonga down to the Murray mouth, and that everything's, you know, going to hell in a handbasket because of the Basin Plan. And that video was paid for by DELWP. DELWP is a guilty party. They are putting their shoulder to their wheel, putting their shoulder to the wheel of - the Victorian Government is putting its shoulder to the wheel, to pull the wool over the eyes of everybody about the Basin Plan and what its true effects are. They are guilty. Have a look at the video yourself.

COMMISSIONER DOOLAN: Okay.

MR McCLUMPHA: Thank you.

COMMISSIONER DOOLAN: I've certainly seen the other reports for RMCG, the Frontier and naturally the MDBA evaluation reports themselves.

MR McCLUMPHA: Have a look at the McGowan one, it's on the Murray River Group of Councils website.

COMMISSIONER DOOLAN: All right.

MR McCLUMPHA: And the video will come up as well.

COMMISSIONER DOOLAN: Okay.

MR McCLUMPHA: Thank you.

COMMISSIONER DOOLAN: Thank you. Over to you.

MS MacALLISTER: One of the hazards of speaking off the cuff rather than referring to notes. Just a few points that I wanted to reiterate which have come from previous submissions, one of which was presented to you as a redacted submission that we're still trying to remove the redaction on, that the New South Wales Government has decided to impose on our free thought and expression.

Wentworth Shire Council have agreed with certain recommendations that we would like to see our list of demands, if you like. We feel it's necessary to impose minimum flow targets along the entire length of the Darling River, including at the confluence. We'd also like to see water quality testing as well, not just for ECs and blue-green algae, or indeed pH which I think is a new one, but chemical residue. We have heard a bit about glyphosates and we're concerned that Mildura has reported to have a 9 per cent greater than the national average cancer presentations or diagnoses in this region and we would like to ensure that the children of our farmers and families along the Lower Darling are not again exposed to

infections that could further limit their ability to be treated with antibiotics, for example, just one example. We'd like to see Menindee, as an icon site, recognised for its national importance in upholding international conventions, particularly around water birds and - migratory birds, sorry, and biodiversity. It also has a significant cultural importance, as we've heard, not just for the traditional owners of the land and the people who have been using the Menindee Lakes as a meeting place for, at the very least, 23,000 years has been recorded up there. But also as we've heard from Mr Arnold as well, there is extensive western, if you like, cultural history around the region as well. We'd like to see that elevated in terms of status because we see it as a very important place that we simply can't live without.

We would like to include a requirement for community water alongside the need for environmental water. The terminology is often used as omissive, and a divisive term in the "us and them" debate about who owns the water or whose water it is. Using a term of "community water" reminds everybody that water is in fact a basic human right and also essential survival need, and ultimately we would like to see - I wanted to make the point that Wentworth Shire Council began water carting once again to affected properties that did not have potable water. We did that once again before assurances were given to us from the State Government that they would somehow compensate Wentworth Shire Council for the cost imposed on it in making sure that its people do not die of thirst, literally, through bad management on different levels. And ultimately we would like our people to be afforded the common decency and humanity that we believe all people of this great nation of ours should have, because we think that they are highly valuable and should be seen as such by all levels of Government and all agencies.

COMMISSIONER DOOLAN: Okay.

MS MacALLISTER: Thank you.

COMMISSIONER DOOLAN: Thank you Jane. Are there any other comments to be made? Okay, given that's the case I'd like to thank everybody who has appeared in front of the Commission today. We do find these hearings to be extremely valuable in producing further evidence for us and helping provide feedback on our draft recommendations.

So basically I'll adjourn the proceedings and the Commission will resume its public hearings on Monday 15 October in Murray Bridge. So thank you once again.

**MATTER ADJOURNED AT 1.40 PM UNTIL
MONDAY, 15 OCTOBER 2018 AT 9 AM**