



**Murray Irrigation Limited**

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**To:  
Standing Committee for Regional Australia**

**Supplementary Submission to the Inquiry on the  
Social and Economic Impacts of the Murray-Darling Basin Plan**

**Responses to Questions on Notice from Public Hearings held in Deniliquin, 24 January 2011**

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Murray Irrigation congratulates the Standing Committee on Regional Australia for taking the initiative to release their interim findings recognising the fact that the areas outlined are of major concern and need to be addressed as a matter of urgency. Murray Irrigation agrees with the Committee's interim findings in their entirety.

We also acknowledge the fact the Government has obviously considered the Committee's findings with the Water Minister's announcement on Friday, 18 February, of changes to tax laws and the water tendering process for water buy backs. These new initiatives are a first step to addressing the many concerns that have been raised in the Murray Darling Basin Plan process to date. However, Murray Irrigation continues to be fundamentally concerned that the proposed reductions, even at 3,000,000ML cannot be justified by the science and will cause a permanent depopulation of our region.

Murray Irrigation welcomes the opportunity to provide the Committee with the following supplementary submission to address some key issues that were raised during the first round of public hearings in the Southern Basin.

Murray Irrigation believes the Basin Plan needs to be built on trust and that, along with an Environmental Watering Plan, is the main ingredient lacking in the process to date.

*"My view is that certainty will be reinstated when the community gets a true sense that they will be fully engaged with."* Bruce Simpson, Chair of the Murray Group of Concerned Communities, Deniliquin public hearings of the Standing Committee on Regional Australia

## **Introduction**

Committee Chairman, Tony Windsor, posed the following question to several presenters during the public hearings held in the Southern end of the Basin:

*"Would you rather see a process maintained state by state—allocation against entitlement—or some sort of national scheme across the borders?"*

This may seem like a simple question, but it is not and it highlights the complexities of the system as recognised by the MDBA in the Guide to the Proposed Murray Darling Basin Plan (the Guide):

*"Effective implementation of the Basin Plan will require a strong partnership between the Authority, Commonwealth agencies and the Basin States"*<sup>1</sup>

Former MDBA Chair, Mike Taylor also highlighted the issue when he wrote:

*"A successful plan would require both Commonwealth and States to work together on a comprehensive range of policy, planning and implementation issues in consultation with relevant community, industry and environmental groups."*<sup>2</sup>

The reality is that, even under a Basin Plan, the responsibility of developing, implementing and managing water resource plans (WRPs) that are "consistent" with the Basin Plan fall to the States to be accredited by the Commonwealth Water Minister. The WRPs, as well as outlining diversion limits must cover provision of water to environmental assets in line with the Environmental Watering Plan, however, this plan does not exist, the absence of which makes it impossible for States to begin to think about the form their WRPs will take.

To try to answer Mr Windsor's question, Murray Irrigation believes the current water sharing arrangements and the Cap on Diversion policy, supported by all Murray Darling Basin Governments is adequate to provide the foundation from which to develop a fair and balanced Basin Plan.

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<sup>1</sup> *Guide to the Proposed Murray Darling Basin Plan, Overview, Vol 1, October 2010, MDBA, pg 161*

<sup>2</sup> *Plan for the Murray Darling Basin – Role of the Authority Chair, 7 December 2010, Resignation of Mike Taylor*

The Plan should identify environmental priorities and provide a robust environmental watering plan that considers engineering works and measures as well as targeted flows. It should not be a mechanism for re-writing the water sharing arrangements between the States.

We do not believe the Commonwealth and one Minister should have the over-all power to change these water sharing arrangements and we would not support any attempt by the Commonwealth to assume further control of river management and allocations.

## **Recommendations**

Further to the recommendations already provided to the Minister for Water by the Standing Committee on Regional Australia, Murray Irrigation would suggest the following:

1. That the Committee meet with NSW State Water Corporation and the NSW Office of Water and their equivalents in Victoria, South Australia and Queensland to understand each State's allocation system and the level of consultation with the MDBA to date. This would also be an opportunity to look at river management to identify if water savings could be made by improved river operations, eg. manipulation of weir pools to capture rainfall events;
2. That the Committee recommends the retention of current State Water Sharing Plans and that the MDBA work with the Commonwealth Environmental Water Holder to develop a targeted and auditable Basin Plan, including an environmental watering plan, to utilise water currently held and water that may be gained in the future through infrastructure or water management improvements and strategic buy-backs;
3. That the Committee recommends the Minister require the environmental watering plan include engineering options to maximise water delivery efficiencies and minimise negative third-party impacts of overbank flows, reducing the onus on irrigators to meet "the gap";
4. That the Committee recommends the Minister review water purchases to date to evaluate the effectiveness of the scheme and if the right water entitlements; ie. general or high security, have been purchased in the right areas to achieve the environmental goals;
5. That the Committee recommends the Minister review the administrative burden placed on landholders who wish to participate in programs to improve their water efficiency;
6. That the Committee recommends the Minister review the administrative burden placed on Infrastructure Operators who wish to participate in projects designed to improve their water efficiency;

## **Allocations**

### **State Allocation Systems**

Section 100 of the Australian Constitution states:

*"The Commonwealth shall not, by any law or regulation of trade or commerce, abridge the rights of the State or of the residents therein to the reasonable use of the waters of the rivers for conservation or irrigation."*

The first River Murray Waters Agreement was signed by NSW, Victoria, South Australia and the Commonwealth in 1915 and the States have managed their waters in accordance with it until the Murray Darling Basin Agreement was signed and the Murray Darling Ministerial Council was formed in 1985.

In 1995 the Murray Darling Basin Cap on Diversions policy was introduced ultimately leading to the development of water sharing plans (WSPs). In some corners there is an assumption that WSPs are fundamentally flawed because of their suspension in 2006; however, the suspension was in response to a "severe water shortage" in the system.

There is no denying that 2006 was an extreme year and many lessons have been learned. The record low inflows, as shown in figure one below, led to a review of water priorities that saw water set aside for critical human needs and the establishment of the Murray Critical Water Advisory Group.

As at July 2011, the NSW Murray WSPs will be re-established; however, the lessons learned during the drought form the template for water management in times of critical shortage in the future.

## Inflows

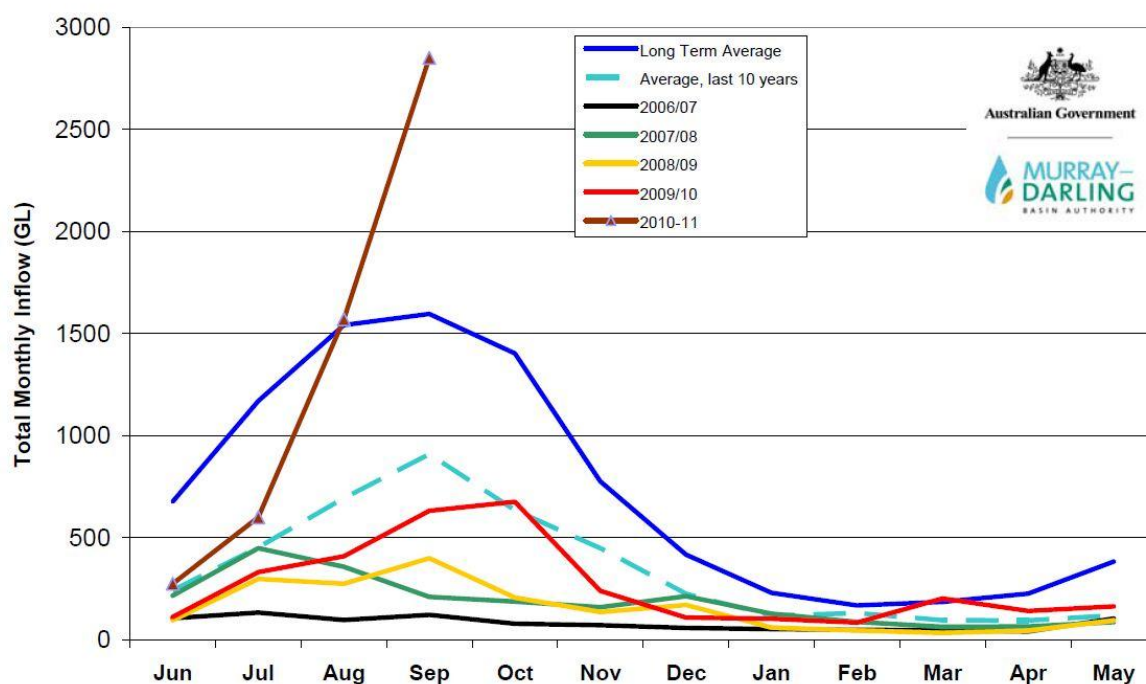


Figure 1: Murray River Inflows, annual averages, NSW Office of Water, Critical Water Planning for the Murray Valley and Lower Darling, Issue 38, October 2010.

Over the years, industries have grown in Basin catchments dependent on State water regulations, suitability of climate and environment (soil types and land forming) and the innovation of farmers. At the same time the States have formulated their entitlement and allocation policies to suit the industries and water availability in their areas. In some areas, markets have developed for entitlements of different “reliability”, in NSW these are referred to as High and General Security Entitlements.

Entitlements are not allocations. In New South Wales Murray, the priority on entitlements in a normal water year is for water to be allocated in the following order:

1. River operations and environmental health requirements;
2. Basic Water Rights;
3. Environmental allocations;
4. High security entitlements – industrial, horticulture and viticulture;
5. Conveyance losses – The minimum conveyance required to deliver high security, town and stock and domestic water supplies;
6. General security entitlements – variable reliability used for annual cropping such as cereals and rice and pasture production, pro-rata conveyance losses for general security included;
7. Supplementary water if excess water is available within the Cap on diversions.

Figure 2 (below) summarises the different entitlements and their issue in the Basin States. NSW has a high percentage of lower reliability entitlements, the allocations for which are adjusted dependent on water availability. This type of entitlement suits annual crops such as cereals, maize and rice. It also aligns with the inherent variability in water availability driven by climate. Businesses based on these

crops are flexible and can adjust their crop program to suite water availability; however, timing of the allocation announcements is vital to give farmers seasonal certainty.

*“No other type of natural resource planning has to deal with a resource that fluxes from day to day and year to year, is often difficult to define in terms of its extent, incorporates rights to shares in a consumptive pool, is vital for ecological health, regional economies and communities and it is a fundamental requirement for human life.”<sup>3</sup>*

By the same token, South Australia is almost 100 percent high reliability entitlements suited to permanent plantings. These enterprises must have water every year to keep their permanent plantings alive. This industry has developed because South Australia gets a guaranteed amount of water from NSW and Victoria every year, except in exceptional circumstances, regardless of inflows upstream so the State’s water supply is reliable; however since 2007 to the end of the water season 2010/11, Special Water Sharing Arrangements have been implemented under the Murray Darling Basin Agreement limiting the amount of water available to SA<sup>4</sup>.

Figure 2.4: Volumes of surface water entitlements on issue in the Murray–Darling Basin states, by reliability class

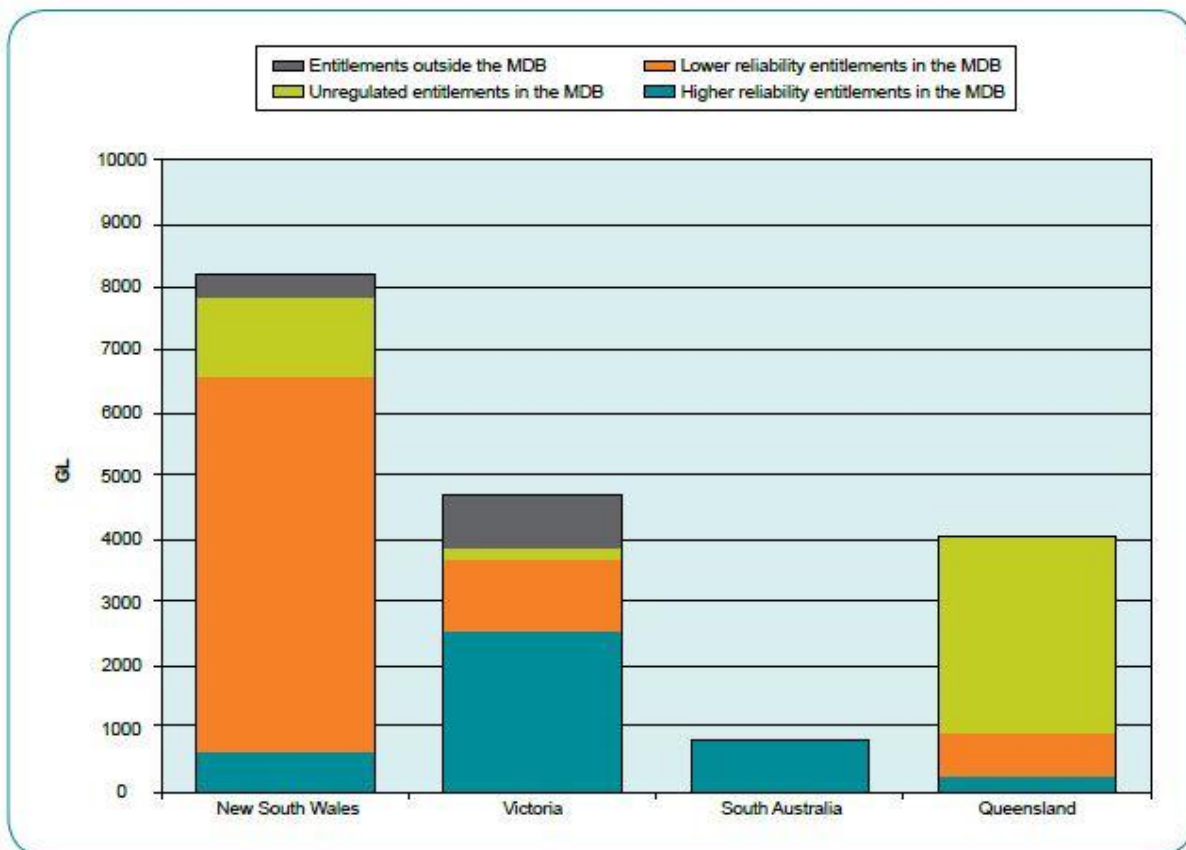


Figure 2: National Water Commission, Australian Water Markets Report 2009-10, p17

A fundamental difference between the types of businesses built on High or General Security Entitlements is their use of water in dry periods. For example, in 2006/07 and 2007/08 NSW General Security Entitlements were cut back to zero percent so most farmers opted not to grow crops and water use in the region was minimal for stock and domestic. However in those same years, High Security water users such as towns and horticulture tend to use more water because they are not getting the supplementary rainfall.

<sup>3</sup> National Water Commission, WaterLines Occasional Paper No 6, April 2008, Executive Summary – Water Allocation and Planning in Australia – Current Practices and Lessons Learned, Hamstead, M, Baldwin C, O’keefe, V, pg xix.

<sup>4</sup> National Water Commission, Australian Water Markets Report 2009-10, p 138

*“The amount of water required from the River Murray varies from about 40 per cent of Adelaide’s water needs in a normal rainfall year to as much as 90 per cent in a dry year,” Premier for South Australia, Mike Rann reporting on Adelaide’s water consumption in 2010.*

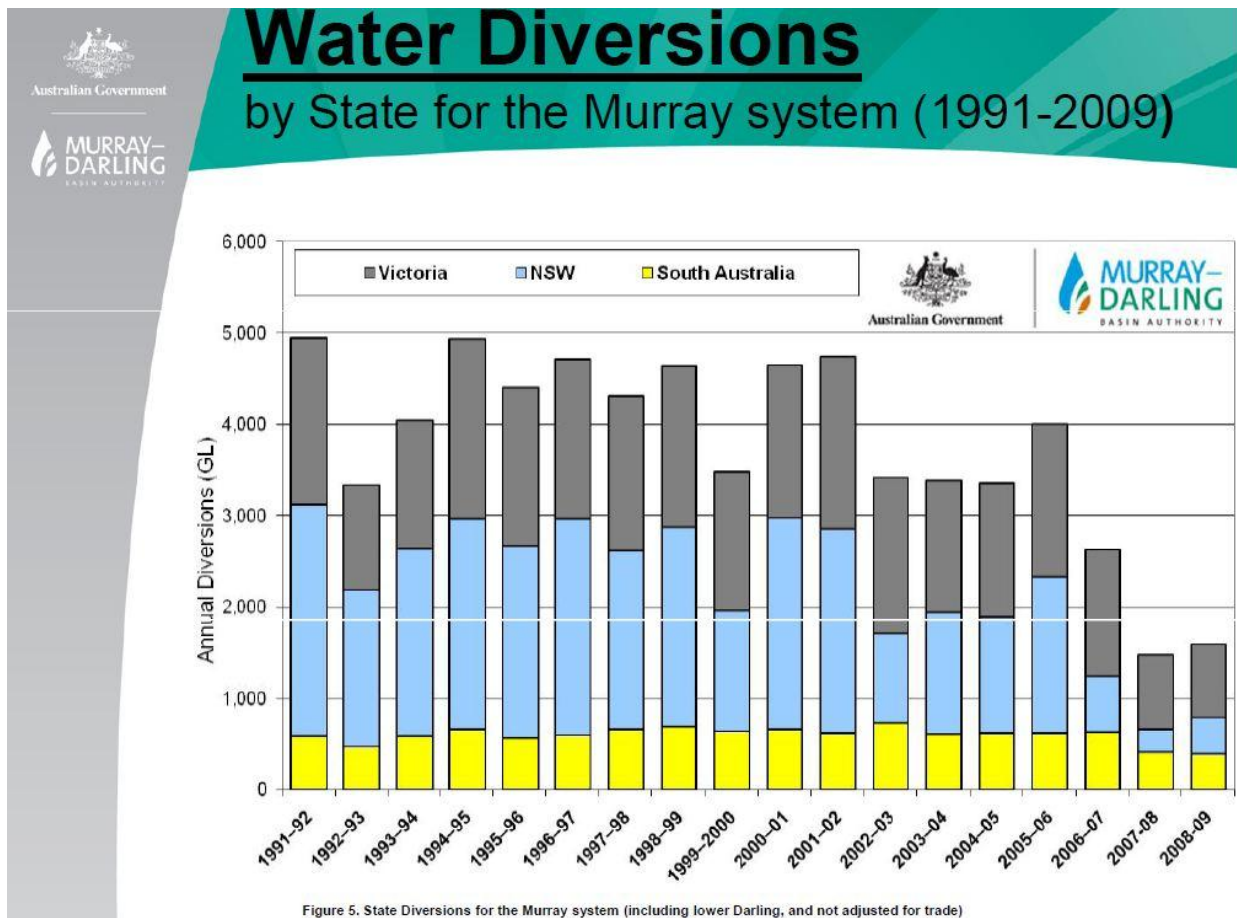


Figure 5. State Diversions for the Murray system (including lower Darling, and not adjusted for trade)

Figure 3: Annual Diversions for the Murray System by State.

The figure above highlights the flexibility of the NSW allocation system that allows maximum use of water when available and the ability to cut diversions right down, meeting only the needs of high security users, in drier years.

NSW WSPs were developed through comprehensive industry and community consultation. The result is a system suitable for NSW industry and agricultural production needs that ensures there is enough water to keep the entire system; river needs and consumptive users, productive when possible. NSW farmers have designed their business practices around the allocation system. While there is some concern about the timing of allocation announcements (which in reality is confounded by at time large volumes of carryover between water years), the system generally works.

### Over Allocation

The term that has constantly been used by the media, environmentalists and even the Chair of the Committee is “over-allocation”.

*“The development of a robust Basin Plan provides a once in a lifetime opportunity to address over allocation, manage salinity issues and achieve improved environmental and water security across the Basin,” South Australian River Murray Minister, Paul Caica.*

NSW introduced volumetric water allocations in the NSW Murray Irrigation districts in 1967, effectively capping entitlements. From that time no further entitlement would be granted and subdivisions meant entitlements to that landholding also had to be subdivided.

Under the Murray Darling Basin Agreement, NSW, Victoria & South Australia must limit the volume of water extracted from the rivers and streams for consumptive use as agreed under the Murray-Darling Basin cap on diversions implemented in 1995. Each State then manages how the water is shared between the environment, the river system and consumptive users under its allocation policy described above. In the past 10 to 15 years greater emphasis has been given to the consideration of environmental issues.

The NSW policy aims to make as much water available to licensed users as is available to the State under the Cap allowing individual users the flexibility to use the water, trade it or carry it over for the next season. The volume available for general security entitlements is the most variable throughout the irrigation season as, to preserve the minimum water reserve; the amount of water available at the start of the season is dependent on inflows rather than storages.

Figure 4 shows the variation between entitlements and announced allocations for NSW Murray General Security Entitlements over the preceding ten years. Under NSW WSPs an entitlement holder cannot exceed 110 percent of their allocation even where they hold carryover water, any excess they hold must be forfeited. While WSPs were suspended this limit was reduced to 100 percent of entitlement.

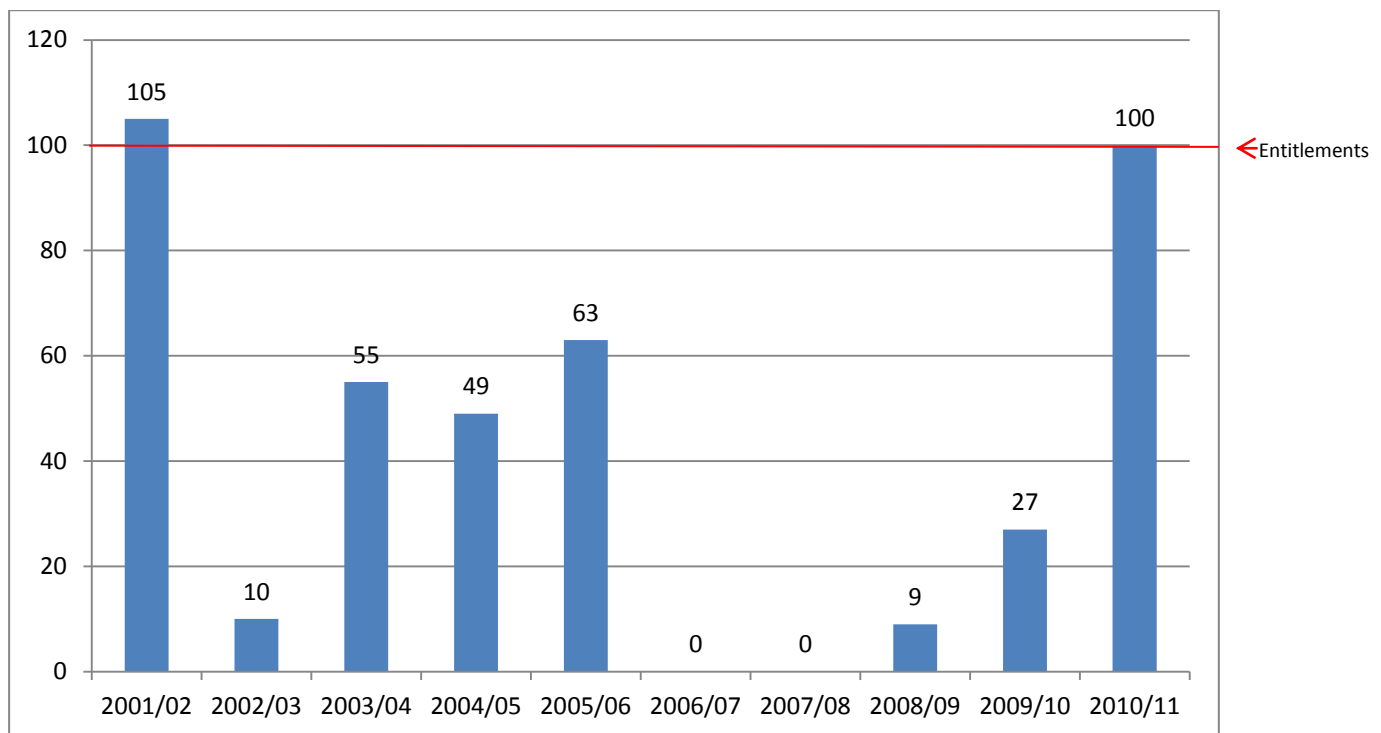


Figure 4: NSW Murray General Security Announced Allocations

As mentioned before, General Security Entitlement farmers are flexible and can adjust their annual cropping program to suit available water; however, the timing of allocation announcements has a big influence on the amount of annual summer crops that are planted. For example, early in this irrigation season, 2010/11, the NSW Murray General Security announced allocation 36 percent on 1 October, increasing to 42 percent by 15 October. It was only increased to 100 percent in December 2010.

Summer crops in the Murray Irrigation area of operations should be planted in October. Farmers rely on water allocation announcements to guide their decisions as summer usually brings less rain events than

the winter months in this region. With October allocations at 42 percent, farmers adjusted their cropping programs accordingly and most have only planted up to 50 percent of their irrigated land.

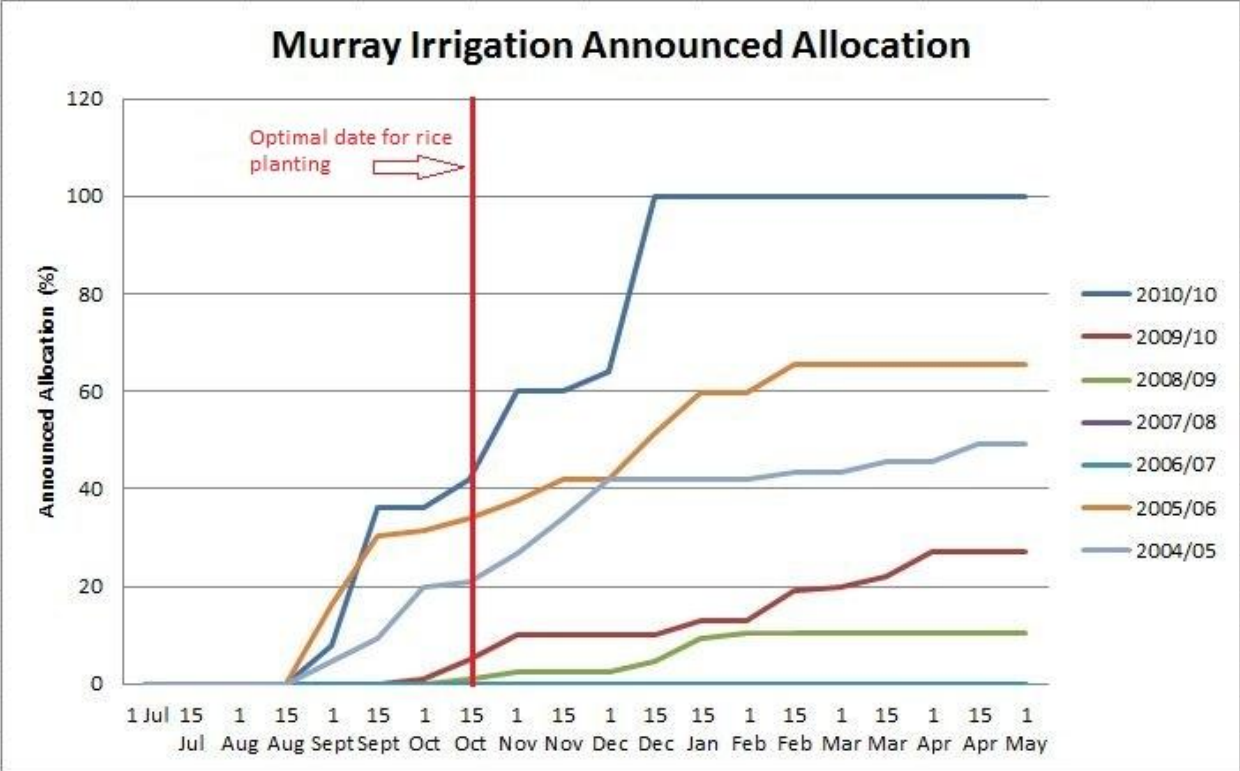


Figure 5: Announced allocations by month and year.

The figure above shows how the timing of allocations influences water use. Historically there have been a number of seasons where announced allocations at the optimal time to plant rice have been lower than later in the season.

Delivered water will be down this year due to the timing of the allocation announcement and extraordinary summer rainfall. These farmers can now carry the extra water over to next year, however, if we continue to have significant rain and allocations remain high, any water over 110 percent of their entitlements will be forfeited.

**System Efficiencies**

Since privatisation in 1995, Murray Irrigation has improved delivery efficiencies through maintenance and upgrades to now run at about 85 percent efficiency.

Not only is our delivery efficient, but we are conservative power users with our 3,000km long supply channel system being completely gravity fed and most regulators solar powered.

Our system also generates clean energy through the Pacific Hydro owned hydroelectric project at “The Drop” located on the Mulwala Canal near Berrigan, NSW. This project feeds approximately 11,000 MWh of energy into the NSW power grid per year estimated to provide up to 1,600 homes with clean power<sup>5</sup>.

To remain efficient we need a certain amount of water, known as conveyance water, through our system. Less water reduces both delivery efficiency and water quality. Murray Irrigation needs 300GL

<sup>5</sup> Clean Energy Council Resource Centre; <http://www.cleanenergycouncil.org.au/cec/resourcecentre/casestudies/Hydro/The-Drop.html> 18 February 2011



conveyance water to operate at maximum efficiency. Our Water Access Licence (Conveyance) is structured in two parts:

- a) 150GL allocated after High Security entitlements to operate the supply network and the minimum required to run our main channels.
- b) 150GL allocated proportionally with the seasonal allocation and is similar security as NSW Murray General Security Entitlements.

The majority of landholders in the Murray Irrigation area are reliant on our system for all of their water requirements including household water and stock and domestic. During the years of zero percent general security allocations Murray Irrigation implemented strategic water management to enable delivery of stock and domestic water to occur. This was the only way we could effectively deliver water with the minimal conveyance water issued.

To do this, we identified delivery “zones” and negotiated a system whereby landholders in each zone would extract water at the same time. Water was pulsed down the channels in each zone individually to provide enough conveyance momentum to deliver the water. It was not possible, however, to deliver water throughout our entire system and some landholders had to source water through alternative means.

Despite transferring 17.5 percent of our licence to environmental initiatives, Murray Irrigation still requires maximum conveyance water to operate at maximum efficiency while we are still operating the entire 3,000km system of channels.

The ability of infrastructure operators to maintain maximum efficiency has not been considered by the MDBA in the guide or the Commonwealth in implementing their water buy-back program. Without sub-system retirement, no conveyance water saving can be realised.

### **Government Water Purchases – “Buy Back”**

The Commonwealth Environmental Water Holder is now effectively the largest single owner of water; its actions affect the water market and have a negative impact on group schemes through loss of entitlements without infrastructure retirement.

The Government first entered the water market in 2007-08. The following year saw the largest ever single purchase of water of 240GL from Twynam Agricultural Group for \$303million or \$1,262.50 per entitlement. According to the Australian National Audit Office's report on water buybacks the Commonwealth paid 10 per cent normal benchmarks for the Twynam water<sup>6</sup>. As at January 2011, The Commonwealth Environmental water holder was purchasing water at \$870 per General Security Entitlement. At that price, it is feasible for Twynam to repurchase the entire 240GL and still have made a profit on the original sale of almost one million dollars.

This also brings to question the Government's water buy back policy not to change the characteristics of any water purchased. This is reassuring for irrigators who face the same restrictions, but also means the Government has the same level of variability of allocations for their General Security Water – the majority of Commonwealth water purchases in NSW.

The Australian National Audit Office report highlights this issue reporting that to June 2010 the Commonwealth purchased 863GL of permanent water entitlements at a cost of \$1.37 billion but was only able to physically allocate 182GL due to reduced allocations during the period.

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<sup>6</sup> Australian National Audit Office, Performance Audit Report No. 27 2010-11, Restoring the Balance in the Murray Darling Basin, pg 14.

Looking at the historical trends of the water market since 2006 (figure 4) using both Murray Irrigation Water Exchange and NSW Office of Water data<sup>7</sup>, it is clear that Government activity in the market has an influence on price.

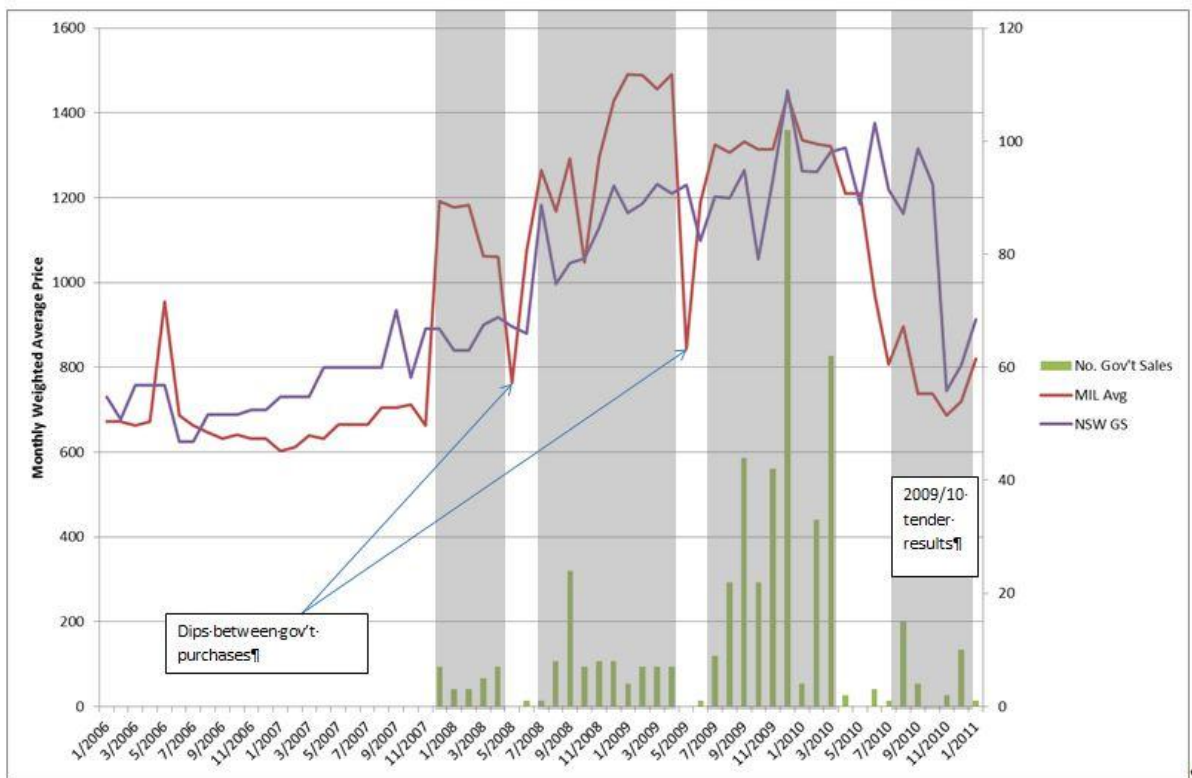


Figure 4: Water trades showing weighted monthly averages. Shaded area shows Government market activity.

Murray Irrigation supports in principal the Government’s commitment to “purchase the difference” between the current cap on diversions and the final Sustainable Diversion Limits (SDLs), however, we believe the buyback must be strategic and targeted to maximise benefits and minimise negative impacts.

Concerns about the current buy back process were raised at a technical briefing hosted by Murray Irrigation with the MDBA in Deniliquin in January at which time the MDBA staff said they were reworking their modelling to take account for the Government’s above mentioned commitment. They acknowledged that a fixed target area for SDLs does not recognise the ability of water to be traded across regions. They said the new modelling to take into account Government purchases will likely change the concept of the SDL regions if it is to adequately represent the variability of water trade and water buy back to date.

Rather than random buy back, Murray Irrigation has taken numerous proposals to the Government outlining an offer to sell water entitlements from a group of landholdings enabling the retirement of the associated infrastructure. Murray Irrigation has invested a lot of time and resources to identify areas where water savings can be achieved at the same time as improving delivery efficiencies; however, the level of detail required by the Government is difficult to achieve with the resources available to us as a private enterprise and with no guarantee on a return on investment.

One such proposal was presented to the then Department of Environment, Water, Heritage and the Arts (DEWHA) at a meeting on 13 October 2009 followed by a formal letter and a cost benefit analysis conducted by Marsden Jacobs Associates (MJA) (attachment A). This analysis showed that the cost to

<sup>7</sup> <http://wma.water.nsw.gov.au/wma/WaterShareIntraWSLocSearch.jsp?selectedRegister=WaterShare>

the individual farmer of converting to water saving technologies or dryland farming was not met by the market value of water.<sup>8</sup> DEWHA responded in writing on 22 November 2009 confirming that the Department would only compensate irrigators for their water, not for a reduction in land value, any on farm works required to decommission infrastructure or to convert their operations.

With this information Murray Irrigation developed a pilot proposal which combined all previous Irrigator-led group proposals and proposing the sale to the Government of 43,000 NSW Murray General Security Entitlements and the decommissioning of 102km of channels. In light of the MJA analysis and to make the proposal more attractive to farmers, Murray Irrigation offered support to meet their termination fees. The proposal was negotiated with farmers and developed from December 2009 when water prices were \$1,306 per entitlement. By March 2010 DEWHA was offering around \$800 per entitlement and would not pay over “market value” reducing the attractiveness of the project to farmers.

Murray Irrigation is continuing to pursue opportunities to retire areas of our channel system and we understand that an in-principal agreement was been reached between the Department and an irrigator-led group proposal from Moulamein West in June 2010; however, due diligence on this is continuing to date.

Murray Irrigation has also invested in preparing proposals under the Private Irrigation Infrastructure Operator Program (PIIOP). The difficulty in the PIIOP process is that the Department want a fully developed commercial proposal complete with cost-benefit analysis at the time of application. It is difficult to convince third party participants, such as farmers and shareholders, of the need to invest so much time and money into an application that has no guarantee of being accepted. We believe the process would be more effective if it were a two stage process that began with a draft proposal outlining the concept allowing for an in-principal agreement to be entered into. This agreement would then justify the investment into developing a full proposal to investigate cost effectiveness and value for money.

### **Project Participation**

There are three main deterrents to participating in Government projects, including PIIOP as mentioned above; the administrative burden, departmental delays and the lack of trust.

The latter is significant and has not been helped by the way the MDBA released the Guide and then delivered the public consultations. Key to this lack of trust is the past actions of the Government and the way new Government contracts are worded.

Murray Irrigation was the Implementation Authority for the Murray Land and Water Management Program (MLWMPs), a 15 year integrated environmental program initiated in 1995. In the Murray Irrigation area four LWMP Community Working Groups were established and delivered substantial on ground achievements to their respective sub-regions investing \$106 million in Government funding matched by \$544 million community contributions.

The Murray LWMP Program met all reporting and auditing requirements and had developed comprehensive projects going forward to the end of the program in 2012. Following the Federal election in 2007, the new Labor Government altered their “priorities” through funding available in the “Caring for Our Country” Program of which no funding was allocated to the Murray LWMPs’ despite a number of applications submitted. The cessation of the Federal Government’s contribution to the LWMP effectively halted all ongoing projects and prevented the plans from being able to fulfil their

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<sup>8</sup> *Benefit cost analysis of farm level investment in water saving*, Marsden Jacob Associates, a report prepared for Murray Irrigation Limited, February 2009.

programs. Not only was faith lost in this process, but many missed out on the opportunity to implement a broad-range of initiatives on their properties.

The Government has now implemented the On-Farm Irrigation Efficiency Program (OFIEP) under the Water for the Future fund to improve on-farm water use efficiency. What this program fails to address is other areas of natural resource and environment management such as establishing perennials and protecting and enhancing extensive areas of native vegetation.

Murray Irrigation is a Delivery Partner for the On-Farm Irrigation Efficiency Program and has had to address farmers concerns about the commitment of the Government to fulfil this program in its entirety, particularly when they read the Termination clauses contained in the contract, a section of which reads:

*“MIL may, at any time by written notice to the Landholder, terminate this Agreement or reduce the scope of this Agreement without prejudice to the rights, liabilities, or obligations of either Party accruing prior to the date of termination.”*

Murray Irrigation is contractually obliged by the Government to include this and numerous other clauses in its Infrastructure Works Contract with all landholder contracts under the OFIEP.

The other deterrent is the administrative burden and departmental delays. This is a burden on both the landholder and Murray Irrigation. For the OFIEP it has taken over 14 months from the landholder submitting an Expression of Interest to the point of signing a works contract to implement on-ground works. Over this period of time changes in prices of materials, fuel and the Australian dollar (importing spray units) can lead to significant challenges to landholders attempting to budget for these uncertainties.

Under this program, the initial payment is provided to the landholders within 21 days of Murray Irrigation being notified that settlement has occurred for the Water Entitlements being transferred to the Government. If the Government does draw on the above mentioned contractual clause, there are currently no means for the landholder to have the Water Entitlements returned to them.

Other administrative burdens involve the Commonwealth effectively micro-managing each individual project rather than leaving more discretion to Delivery Partners. This is evident in their initial project assessment, inherent rigidity of working within the works contract requirements and specific reporting requirements for each individual project.

### **Environmental Water**

Murray Irrigation is of the belief that, if managed appropriately, there is enough NSW Central Murray Water available to the environment through current programs, with more being transferred through the continuing OFIEP.

As well as the Murray River Dilution flow of 696GL per year committed through the Murray Darling Basin Agreement, in the 1990s the Murray Darling Ministerial council committed further dilution flows to the Murray of 3,000ML per day once storage levels in Menindee, Hume and Dartmouth reach certain trigger levels. These flows were implemented to improve water quality and salinity management in the lower Murray.

Further to the dilution flows, environmental water committed from the Murray Irrigation area to date includes:

- Barmah/Millewa Forest Allocation - minimum of 50,000ML per year, up to 100,000ML per year first implemented in 1993.
- Water Sharing Plan - NSW Government committed 32GL from Murray Irrigation's licence for adaptive environmental water in 2004
- Water for the Future, Living Murray, Water for Rivers. Under these programs combined, as at October 2010, Murray Irrigation had transferred 208,722 NSW Murray General Security Water Entitlements to the Commonwealth.

Since privatisation 17.5 percent of original licence volume PLUS 100GL of supplementary water which is 50 percent of Murray Irrigation's original supplementary water licence has been recovered for environmental purposes. Once the OFIEP projects are complete this figure will be closer to 20 percent. It is inconceivable to think of any other business that would be required by Government to operate with 20 percent less saleable merchandise without being able to reduce overhead costs.

## **Conclusion**

Murray Irrigation welcomes the Minister's announcement on Friday, 18 February the Government will implement:

- Changes to tax laws to cut red tape and maximise Government investments in irrigation infrastructure
- A new rolling tender approach to water buybacks to reduce the impact of the Government's involvement in the market and provide more flexibility for irrigators wanting to sell
- A special forum with State Ministers in April that will focus on improving environmental watering efficiency through works and measures projects.

These are all worthwhile initiatives; however, we believe there still needs to be better integration between buyback and infrastructure programs to reduce impacts on group schemes, remaining irrigators and their communities.

It is also our view that reducing red tape in relation to tax laws is merely addressing one of the many administrative burdens restricting participation in Government Programs.

What the announcement does indicate is the fact that the Government considered the Committee's interim findings and is willing to address areas of concern. This shows the important role the Committee will play in the development of the final Basin Plan and we hope that all of our concerns will be considered in the Committee's final report.

Signed

**Anthony Couroupis**  
**General Manager**