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Submission to the Inquiry into proposed  
Murray Darling Basin Plan

Namoi Water

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June 2012

## **Introduction**

This submission is made to the House of Representatives Standing Committee on Regional Australia (RA) for the inquiry into the Murray Darling Basin Plan by the Namoi Water.

The Namoi Water welcome the opportunity to make this submission to the RA committee. As a member of the Namoi Councils Water Working Group we endorse their submission to the inquiry and we are available to appear at a public hearing if required.

It is essential that a balanced outcome prevails through this process, with equal consideration of the environmental, social and economic impacts and outcomes to be achieved. An integrated water management approach including reform of Menindee is urgently required.

The RA committee report "Of drought and Flooding rains" made recommendations relating to placing a priority on the development and implementation of works and measures and water use efficiencies over water purchases. A Northern Basin Integrated Project is one such concept that has the potential to offset the SDL reductions under the basin plan and reduce the severe socio economic impacts of buyback on regional communities.

Namoi Water represents regulated, unregulated and groundwater users in the Peel, Upper and Lower Namoi valley. Our members are major contributors to the sustainability of local towns and the region's economic development. As employers of a significant workforce, collectively our members contribution is well documented in the multiplier effect in terms of economic value.

**Namoi Water was asked to comment on the groundwater sustainable diversion limits (SDLs) for Basin in the reviewed proposed Basin Plan.**

Namoi Water supports the MDBA conclusion that there is no evidence to support a change to the NSW State Water Sharing Plans for Upper and Lower Namoi Groundwater systems. The reductions as a result of the Achieving Sustainable Groundwater Entitlements program have had a major impact on groundwater usage in our valley and the social and economic impacts were significant. It is pleasing to see our effort to reach sustainable extraction limits recognized as some water access licence holders in the alluvial systems lost up to 95% of their licence.

The reduction of the proposed SDL for the Gunnedah Oxley basin from 300 gigs to 100 gigs does not, as far as we are aware, impact on the alluvial systems used by our members. As the deeper systems do not have the same level of monitoring and measurement data as the alluvial system a conservative approach should be maintained until further data can be obtained.

**Additional submission comments on :** The potential role that new environmental works and measures projects could play in partially offsetting SDL reductions under the Basin Plan, focussing particularly on prospective project proposals identified by state governments and community interests.

The recently released report "The Value of Water" by Access Economics is a full socio-economic study of the Namoi Region. This tool provides the data to allow water reforms to be assessed and clearly demonstrates the socio-economic impacts. Recovery of water for environmental purposes under the buyback program will have a significant socio-economic impact in the Lower Namoi and will have flow on effects for the rest of the Namoi. Using a proposed reduction of 80 gigs in the Namoi results in GRP of \$55.3m, a decline of 0.6% in GRP and a reduction in cotton production of 9% equating to 100 FTE (seasonal workforce losses were not modelled and may have greater impact in terms of employment numbers). The results show the potential impact of the MDB Plan is far greater in GRP terms than that flowing from the climate change predictions.

Attached is the Northern Basin paper titled "Ceding of the Murray" which was provided to previous Water Minister Penny Wong. The Northern Basin Alliance prioritized the reform of Menindee Lakes as the highest priority, yet to date despite repeated requests, reform options preference on tinkering around the edges. There are greater savings involved in reform options for Menindee that would generate savings sufficient to allow forgo the removal of consumptive water, these must be pursued by Commonwealth and incorporated into an integrated Northern water management project.

The Northern Basin is inherently impacted by the management of Menindee Lakes, any reform undertaken must include consideration of Northern implications. Menindee Lakes need to be managed more efficiently with a focus on reducing the local environmental and cultural impacts together with the delivery of better quality water downstream, particularly in regard to reducing salinity. We urge the RA committee to prioritise a cost effective option to realise optimum savings in the MLS. The Northern Valleys must be considered in regard to the sharing of savings made.

Ends.