

QUAMBONE PASTORAL CO. PTY LTD

Quambone Station
QUAMBONE NSW 2831

29th July 2023

Productivity Commission
Murray-Darling Basin Plan: Five Year Assessment

Dear Commissioners,

I wish to thank you for the consultative meeting in Warren on 19th July and for the short extension for this submission. I will use key words and phrases from the terms of reference as a basis for my submission.

I own and run a beef cattle grazing business on the eastern Macquarie Marshes floodplain and I'm an active member of the Macquarie Marshes Environmental Landholders assoc. (MMELA) which is the only locally based organisation with only local landholder members.

Having regard to recent relevant international agreements that have been completed or are ongoing and considering that the Commonwealth water act is only constitutionally allowed because of the foreign affairs powers. I would like to bring to your attention that since the last review that Free Trade Agreements have been signed with many countries and are pending with many others, including China, Japan, USA, UK, and Europe and they are all moving towards eliminating subsidised cost of production.

Water given to irrigators through an allocation process is a manipulated subsidy of cost of production.

The cost to the crown of NOT selling water results in state taxpayers NOT recovering additional funds which could be used in many ways within the MDB communities eg roads, doctors, hospitals and indigenous water rights.

The current method of allocation results in equal amounts of water given to each license within that group, this is not decided by a 'market mechanism' eg auction. The result is that the allocated water doesn't go to the 'highest value use' until after the irrigator decides to sell it, IF he decides to sell it.

This loss of productive potential (GDP) must not be in the "National Interest", this being the first objective of the Water act and is in the only publicly released AGS legal advice. ie, to maximise Economic, Social and Environmental outcomes.

It is not in the National Interest to subsidise a few irrigators, in a few towns, in a few local gov't shires, in a few electorates, in a few states.

Solutions;

1) If all water that becomes available in "The Available Water Determination", (AWD), was auctioned and license holders could bid to the full extent of their license, water would go to the 'highest value use'.

The environmental water & CHEWO would be part of this market. When water is needed for the environment it buys the required amount up to their allocation limit.

This solves the problem of needing to buy more Licenses to recover the 450GL & 605GL supply measures presently causing so much trouble in the basin.

The cost to gov't is a once off fund ie money moves from Treasury to Environment dept to Water dept to Treasury. A Round Robin.

One additional benefit is that the Environment dept having 'used' the water (not extracted) in a significant environmental site eg Macquarie Marshes may be able to sell excess water, to further downstream needs, thus adding funds to treasury for maximising social outcomes etc.

2)The Productivity Commission needs to refer to the terms of reference, "The government has asked Basin jurisdictions (including Commonwealth) to co-operate with this inquiry, including by providing the commission with the information it considers necessary in undertaking its inquiry".

The Commission must require all Australian Government Solicitors legal advices and request/demand legal advices on Schedule 2-Basin water charging objectives and principles. and

updated opinions for Free Trade Agreements and Climate agreements.

The Productivity Commission maybe in the same predicament as Robodebt, that is it may be knowingly acting unlawfully or even increasing the productivity of unlawfulness, maladministration and political fixes in the Murray Darling Basin rather than Economic, social and environmental productivity in the National Interest.

The remainder of my submission I will outline problems in the Macquarie River which concern 'Governance arrangements aren't fit for purpose' and recommend actions required to ensure full implementation and challengers from climate change.

1) The management of the AWD has included assuming minimum inflows from a Drought of Record (DoR) 1937 -1941 at 36 months is 500GL whereas the correct DOR is under 200GL and with climate change is expected to be much worse. The result is that early users of allocation use all available water and conservative users are left with no water available.

2) This meant that no water was available for the environment at the end of the 2017-2019 drought when the Macquarie Marshes burnt.

3) 2020- 2022 was the wettest 3year period on record. The Flood Management Zone (FMZ) was used to protect Dubbo which was good and necessary but also the top end of the flood plain around Narromine, Trangie and Warren which is a irrigation area with very little environment remaining, with flood plain management plans in place was protected.

4)The result was that the area downstream of Warren was 'over' flooded causing Economic,Social and Environmental damage and a changed ecological state ie the prolonged deep flooding drowned dry and semi drylands Flora species.

5)The current management of water by NSW and the MDBA is causing the extremes of the river water cycle to be more common, ie more low or nil flows and more high extreme flows.

6)The good middle flows are being captured by the irrigation industry for subsidised cost of production. (discussed earlier).

7)At the moment the environment's better than it was in 2018 but this is not because of the MDBA and plan but despite it. ie The change from severe drought to severe flood.

8)The over-recovery of water in the Macquarie is not correct. Some water was purchased prior to the plan. This quantity has been counted in the recovered amount which means it has been double accounted.

9)Water was acquired through 'Efficiency programs' in most cases this water had previously been 'lost' prior to the crops root zone, the productivity zone. The efficiency program was designed to improve this problem and the saving was split between the irrigator and the environment in these cases the quantity of water getting to the root zone of the irrigated crop was increased. So a economic, social and environmental win. NOT a loss for towns like Warren, Trangie and Narromine.

10)The irrigation industry is claiming to have doubled production per Megalitre over recent years if so the economic and social losses in irrigation communities is not because of loss of water (production has doubled) it is some other reason eg technology, gov't efficiency programs, tax breaks etc.

11)My understanding is that \$4-500 million dollars was spent on recovery water from irrigators in the Macquarie. If environment water was returned to the irrigation industry how much money would be returned from irrigators and how would that be worked out??

12)In the Macquarie Flood Plain Harvesting (FPH) is now being introduced. Licenses applications have to be applied for before 30.6.23.

Previous unlicensed works and unlicensed take are being advertised and being given licenses.

How many of these unlicensed irrigators have been given grants or efficiency programs to recover water which they didn't have licenses for in the first place?

13)Is this increased productivity actually increased unlawfulness and maladministration?

This is why we need all AGS legal advices updated and released.

14)Below the irrigation industry the decline in Economic, Social, and Environmental production is beyond doubt, but, no accountability has been done in the whole basin. Except one study in the lower Balonne which found a 21% decrease in carrying capacity plus 29% decrease in gross margin.

This lack of transparency cannot be longterm intergenerationally sustainable and not in the National Interest.

If you have any questions resulting from our interview or this submission please don't hesitate to contact me.

Kind Regards

Dugald Bucknell