

From: Stuart Gannon
To: [REDACTED]
Cc: [Water Inquiry: "murrayvalleygroundwater016@gmail.com"](mailto:murrayvalleygroundwater016@gmail.com); [REDACTED]
Subject: RE: ACCC Murray-Darling Basin Inquiry [SEC=UNCLASSIFIED]
Date: Friday, 29 November 2019 4:58:59 PM
Attachments: [image980768.png](#)
[Malcolm Turnbull letter.pdf](#)
[MDBA Panel submission.pdf](#)
[MVGIA Submission.pdf](#)

Hello Mark and Mick,

Thank you for your time at the recent Deniliquin meeting and for sending this information through

In terms of making a submission for the ACCC inquiry please find the attached copies of the submissions made to the Panel for the Independent Assessment of Social and Economic Conditions in the Basin, and for the Review that is underway for the water sharing plan that relates to the Lower Murray Groundwater region

In summary, the concerns of the Murray Valley Groundwater Irrigators Association is that of equality and competition in that

- 1) The Murray Region is being treated differently to the Katunga area when it is the same water where the Victorian Government and the MDBA both use the internationally respected science of the CSIRO and the NSW Government chooses to ignore this and use their own internal non peer reviewed model which puts the Murray Region at a competitive disadvantage that the NSW Government is withholding access to water unnecessarily using a flawed model that was established by corrupt former water minister: Ian MacDonald
- 2) Equality within the Lower Murray Groundwater licences where everyone is treated differently
- 3) Everything that is wrong with the treatment of Lower Murray Groundwater Irrigators is explained in the letter from former Water Minister: Malcolm Turnbull attached that at least with surface water the government conducted credible science as to sustainable extraction and then irrigators were able to access funding that encouraged efficiency vs groundwater irrigators that were prudent with their water use were penalised compared to those that wasted water were rewarded with compensation and an unfair asset distribution

The MVGIA greatly appreciated the ACCC's inquiry, where we would welcome the opportunity to provide further information and discuss further

Yours Sincerely

Stuart Gannon- MVGIA Chair

Stuart Gannon

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Minister for the Environment and Water Resources

Mr Stuart Gannon
"West Tuppal"
DENILIQVIN NSW 2710

12 JUL 2007

Dear Mr Gannon

Thank you for your letter of 6 October 2006 to the Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry, the Hon Sussan Ley MP. Mrs Ley has passed your letter to me as Minister responsible for the Environment and Water Resources. I regret the time it has taken to reply.

The New South Wales Government is responsible for determining surface and groundwater entitlements in the Murray Valley. I understand that the Lower Murray Water Sharing Plan came into effect on 1 November 2006. It reflects the New South Wales Government's view that Lower Murray groundwater resources are over-allocated and that supply expectations could not be met in the long-term without detrimental impact to the natural environment and the communities it supports. The decision to permanently reduce entitlements under the current Water Sharing Plan also includes implementation of the Achieving Sustainable Groundwater Entitlements programme. This programme includes a financial assistance package for licence holders of \$110 million, co-funded by the Australian and New South Wales governments and a Community Development Fund of up to \$9 million to assist communities potentially affected by these changes. The Australian Government has recently committed an additional \$25 million to this programme.

There is increasing evidence that water resources across the Murray-Darling Basin are over-allocated and over-used. The announcement in January 2007 of *A National Plan for Water Security* (the National Plan) by the Prime Minister, the Hon John Howard MP, recognised the need to urgently address this issue. The CSIRO has been commissioned to assess the water resources of Murray-Darling Basin catchments and report by the end of 2007. This information will help to set a new Basin cap that will be reflected in water sharing plans when they are reviewed under existing state statutory arrangements. The new cap will also be supported by the National Plan to address over-allocation in the Basin, including \$5.9 billion over ten years to modernise irrigation infrastructure and \$3 billion allocated to the purchase of water entitlements and to assist those affected by reduced water availability.

I have copied this letter to the Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry, the Hon Sussan Ley MP.

Yours sincerely

Malcolm Turnbull

THIS IS THE ANNEXURE MARKED WITH
THE LETTER "O" REFERRED TO IN THE
AFFIDAVIT OF STUART GORDON GANNON
SWORN THE 22 DAY OF FEB 2012

BEFORE ME:

A JUSTICE OF THE PEACE

SOLICITOR

**MVGIA Submission for Social and Economic Conditions in Basin Communities**

1 message

Murray Valley Groundwater Irrigators Association <murrayvalleygroundwater016@gmail.com>

Wed, Aug 14, 2019 at 7:05 PM

To: independentpanel@mdba.gov.au, Farm Email <yarringbahfarm@gmail.com>, gregsandford@bigpond.com

To whom it may concern:

Thank you for the opportunity to make a submission to the panel regarding Social and Economic Conditions in Basin communities, where I have attached a letter on behalf of the Murray Valley Groundwater Irrigators Association Inc (MVGIA) of which I am chair, that was also submitted as part of the "review" process for the Draft Murray Alluvium Water Resource Plan to the NSW Government

In addition to this Mr Greg Sandford who is an executive member of the MVGIA and former chair will be attending the forum scheduled for Monday 19 August 2019 to expand further

In terms of specific input to the panels 7 key questions the following is offered:

1) The hopes and visions of groundwater licences holders in the lower Murray region is to have a reasonable access to irrigation water, where if an increase to extraction could be granted to a level of around 122,000mgl (which would be equitable for all licence holders having the same level of cut-back from their original licences) it would not only be the groundwater licence holders that would benefit as this increased water access would mean reduced demand for surface water (lowering water cost for non groundwater licence holders) and increase the supply of hay and fodder (and lower price) for the broader community (including drought affected dryland farmers) for the community to benefit as a whole

2) The social and economic experiences of lower Murray groundwater users relative to other groundwater regions is the worst known of in Australia in that the lower Murray region had the highest level of cuts and the lowest level of compensation. Worse still is the inequity within the lower Murray Groundwater region where some only had only a 46% reduction in their licence and received \$400/mgl compensation for water lost where others received nothing and lost as much as 90%. I have attached some newspaper articles relating to the experiences of two dairy farmers who are on the MVGIA executive that explains the impact on them- including Brett Napier who is selling assets to keep trading, that would not have been necessary if he had the same experience of other farmers in the region who only lost 46% and had upto \$400/mgl compensation

3) The most significant driver for future change and opportunity is the NSW government adopting the science of the CSIRO (which the MDBA uses) which shows the 122,000mgl extraction limit sought is sustainable for the lower Murray Groundwater Region and indeed the methodology used by the Victorian Government in Katunga (which is the same water as the lower Murray) allows this- where the economic impact of this is explained in the 19 July 2019 letter attached which uses my licence as an example

4) The original water reforms for the Lower Murray Groundwater region in 2006 and the review that is now underway has been deeply flawed- which is briefly covered in my 19 July 2019 Letter, and will be further expanded by Greg Sandford in the Deniliquin meeting planned for 19 August 2019.

Most disappointing out of the entire process is that farmers see articles such as that attached relating to an announcement from the Deputy Prime Minister that the goal is "ensuring science, not politics drives future decision making on water policy"- where if this is the case, why will the NSW Government not adopt the CSIRO science that the MDBA and the Victorian Government uses rather than their non peer reviewed internal model that is deeply flawed?

5) Irrigation will continue to be viable in the lower Murray region if there is reasonable access to the groundwater resource in that based on CSIRO science the 122,000mgl extraction limit sought is sustainable for the farmers, the environment and the community in that bores can be used more in drought years to supplement no surface water- and less in wet years where surface water will be used more where many licences in the Murray region were historically conjunctive meaning that if you had a 1000mgl surface water licence and a 1000mgl bore licence in a drought year with zero allocation you could pump 2000mgl from the bore meaning no significant impact to the farmers and the communities income in a dry year, and in wetter years with 100% allocation and water prices typically meaning that the bore is not used at all means the groundwater levels replenish during this time.

The history of use model adopted in the 2006 original water sharing plan for licence cutbacks was deeply flawed in that it penalised efficient use of water and rewarded wastage in that I have two neighbours who originally had similar licence levels where one invested in spray irrigation at a cost of over \$1M and now only has around a 1500mgl bore licence, and the other neighbour who did not try to save water has over a 3000mgl licence-where there is close to a \$5M difference of water licences based on current values which is simply not right.

6) Refer points above, if CSIRO / Peer reviewed science was adopted as to groundwater extraction limits would make a massive difference to resilience, adaptability and resilience of the community

7) What are the roles of the various groups - The MVGIA's and my motive in making this submission to the panel is to hopefully have another voice to government that extraction limits should be based on CSIRO science rather than the NSW governments non-peer reviewed model which is sustainable and would be the first step to restoring equality in all NSW lower Murray Groundwater licence holders having the same treatment, and then given flow on benefits to other farmers and the community as a whole

Thank you again for the opportunity to make a submission to the panel, where I and the MVGIA would welcome your feedback the chance to provide further input

Kind regards

Stuart Gannon
(0425) 314 162
MVGIA Chair

5 attachments

MVGIA Submission.pdf
1425K

National water Grid announcement Jul 19.pdf
598K

PT Article 16 Oct.pdf
1469K

PT Article 30 Jul 19.pdf
619K

Kydd Land Newspaper.pdf

**Murray Valley Groundwater Irrigators Association
(MVGIA) Inc
"West Tuppal"
Deniliquin NSW 2710**



Ph: (0425) 314 162

July 19, 2019

Re Submission for the Draft Murray Alluvium Water Resource Plan

To whom it may concern:

The Murray Valley Groundwater Irrigators Association Inc. (MVGIA), was registered in November 2017 to represent approximately 1200 shallow and deep bore licence holders to provide a united voice for our constituents leading up to the upcoming review of the Murray Valley Alluvium Water Resource Plan (Plan) that is now due.

Since November 2017 the MVGIA has been attempting to establish a contact list for licence holders, of which we only have a limited number as the Department of Planning, Industry and Environment-Water (DPIE Water) have been unable to provide for "privacy reasons". Further to this, it was disappointing to find that the mailout by NSW Water leading up to the first and only public information sessions in July 2019 was poorly managed where "postal delays may have resulted in some areas not receiving this prior to the meeting" (as per 16 Jul 19 email from Senior Water Planner- Clare Purtle) which means not all licence holders were informed about this review and is why it is expected that there will only be a low number of submissions on the (Plan)- where in this regard it is contended that the outcome of the MVGIA's Annual General Meeting held on 26 June 2019- that has informed this submission represents the consensus of licence holders.

The concerns with the proposed Draft for the Murray Valley Alluvium Water Resource Plan is as follows:

- 1) Why have the issues with the original 2006 water sharing plan that was overseen by a corrupt minister not been addressed including:
 - a) Poor consultation- that has been compounded in this review, which as detailed above there has been only one public "meeting" that not all licence holders knew about
 - b) Why has there not been a socio-economic study completed and available to the public- despite this being a key objective in section 10 of the draft legislation as per point (2) below
 - c) Why is the methodology and findings of the internationally respected organisation of the CSIRO being ignored which show that the extraction limit of approximately 170,000mg/l in the lower Murray Deep Groundwater Source is sustainable, where as stated in schedule D of the "Risk Assessment for the Murray Alluvium Water Resource Plan Area" that the draft plan is based on "current recharge estimates", where "data confidence is low"
 - d) Equality- where in the cuts following the 2006 water sharing plan everyone did not receive the same residual licence and compensation based on "History of Use" (HOE) methodology- despite there being overwhelming support for an "across the board" cut method- which would not only have been fair, it would have also alleviated the issues that the HOE method caused being hot spots of too much extraction in the one area (being the case in the Murrumbidgee region), as

an across the board methodology would have ensured that cuts would have been spread equally across the region. Where the question is why is the NSW government now applying “across the board” methods now and not from the original starting point in examples such as the draft plan including a formula of a reduced allocation percentage based on rainfall at the Deniliquin airport?

- 2) New “Environmental Water Licence” proposed, despite the plan acknowledging that the extraction limits only “represent a small fraction of water in the groundwater sources”- In the context of the draft plan which has a stated objective of providing “access to groundwater to optimise economic benefits for groundwater dependent industries and local economies”- that the government should not be the sole beneficiary of access to extra water based on better science
- 3) Page 25 of the Draft Murray Alluvium Water Resource Plan states that “despite common hydrological characteristics of much of the border region, there is no policy or statutory imperative for addressing the impacts of the groundwater extraction in one state, on other uses across the border” is BREATHE-TAKING noting further comments on page 25-26 that NSW and Victoria have agreed to explore joint management including potential for “progressive removal of barriers to trade, and opportunities for trading within States and Territories” given the Victorian Katunga region has recently had their groundwater extraction capacity increased vs proposed decreases for NSW (Eg Rainfall at the Deniliquin airport methodology), does not make sense in terms of equality and science
- 4) Further to point (2) the MVGIA has asked former NSW Water Minister: Nial Blair (letter dated 20/12/2018) and in a response to an email dated 16 July 2019 following the 4 July 2019 Deniliquin Meeting from Senior Water Planner: Clare Purtill that the “Katunga Approach” that “Varying annual allocations based on groundwater pressure levels is not a proposal that is supported for NSW” is **FACTUALLY INCORRECT** in that is the MVGIA position that the “Katunga Approach” is exactly what is sought given the Murray Valley Groundwater and Katunga Groundwater are one and the same (refer point 3 which acknowledges “common hydrological characteristics” and should be treated equally- expanded below
 - a) In 2006 the Katunga WSPA Ground Water Management Plan the allocation was either 50% or 70% depending upon if the 5yr average rolling groundwater use was above or below 30,000mgl- where put into context for my Murray Groundwater Licence that was cut from 688mgl to 138mgl, I lost 80%, and on the worst case scenario in the “Katunga Approach” of a 50% allocation (which is similar to the “across the board” cut that was overwhelmingly supported in the Murray region in 2006) I would have been 206mgl or almost 150% better off in being able to extract 344mgl in a worst case scenario
 - b) In 2017, the Katunga region had its plan amended to allocation ranging from 70%-100%, depending on the 5yr average rolling extraction, with 100% allocation announced on 12 June 2018 (as per 16 July 19 email from Clare Purtill), representing an increase in extraction of at least 20% in the Katunga region vs reduced extraction potential by as much as 24% in the Murray region based on rainfall at the Deniliquin airport methodology- where applying the example of my bore licence (originally 688mgl, now 138mgl) licence if I was in Katunga I would have a worst case scenario of 481mgl based on 70% allocation (688mgl x 70%) vs only 104mgl worst case scenario in the Murray region (138mgl licence x 76%) representing a massive difference of 377mgl in the two worst case scenarios
 - c) Putting (b) into context, with temporary groundwater prices peaking at \$275/mgl in the Murray region during the 2018-2019 water season, where based on the location of my original 688mgl bore licence I would have 688mgl if I was in Katunga vs 138mgl in NSW to equate to a 550mgl difference x \$275/mgl= \$151,250 value of water forgone which makes a massive difference to the viability of my business, which is compounded in the experience of other licence holders in the region also

- d) As expanded upon below the MVGIA supports the “Katunga Approach” based on allocations, provided these allocations are based Murray Groundwater licence amounts being increased to at least 121,385mg/l to have the effect of everyone having a 46% “across the board cut” from their original licence, where given this is below the sustainable yield of >170,000mg/l determined by the CSIRO in 2006 there could comfortably be 100% allocation + carry-over pumping and still be sustainable
- 5) Section 5.2.2 in the Draft Water Resource Plan Document clearly states that Sections 7.25 & 7.26 of the Basin Plan provides “for adjustment of a Sustainable Diversion Limit as a result of improvements in information relating to groundwater resources of the SDL resource unit” where there is a mechanism for irrigators, indigenous groups and the environment all to have a sustainable level of groundwater once there is an independent peer reviewed report to base this on- where the 5% adjustment cap on this needs to be based on peer reviewed and acceptable science methodology as to extraction and not necessarily the current extraction limit
- 6) On numerous occasions it has been identified that “Extraction and recharge limits should be reviewed in light of new information” including but not limited to
- a) 2016 Document titled “Review of Water Sharing Plans due to expire in 2017 or 2018” from the Natural Resources Commission which states “DPI Water had not completed model recalibration at the time (2016)...and should be available to inform replacement plans”
 - b) March 2017 Status and Issues Paper- (opening quote- point 6)
 - c) December 2018 “Targeted Consultation Meeting” statement by Vanessa O’Keefe
 - d) Email dated 16 July 2019 from Senior Water Planner: Clare Purtle that states “we are working on a new calibrated model (including updated data and inputs) with the aim to have the outputs from updated model publicly available within 24 months. The process for peer review is via a pool of peer reviewers identified as appropriate”

To be told that the new calibrated model to be available for peer review is up to 24 months away is UNACCEPTABLE, in that is proposed to finalise the Murray Alluvium Water Resource Plan before this information is available

Due to the facts of poor consultation, unproven science and inappropriate methodologies in the Draft Murray Alluvium Water Resource Plan- a vote of NO CONFIDENCE is hereby submitted and requesting a pause of the Plan until such time there is an independent study of the sustainable yield of the aquifer and peer review of the methodology

In conclusion the MVGIA hereby calls for the above to be reviewed to have some credibility in the process which irrigators can believe in

Yours truly,



Stuart Gannon
MVGIA Chair