



**Greater Metropolitan Region
Unregulated Rivers Draft Water Sharing Plan
and
Draft Groundwater Sharing Plan**

November 2009

**NSW Farmers' Association
Level 25, 66 Goulburn Street
Sydney NSW 2000**

Ph: (02) 8251 1750
Fax: (02) 8251 1750

TABLE OF CONTENTS

1. Executive Summary.....	3
2. Introduction.....	4
3. Relevant Association Water Policy	4
4. Communication and Information	6
5. Planning	7
6. License Provisions.....	9
7. Water Quality.....	10
8. Cease/Commence to Pump.....	10
9. First Flush Events.....	11
10. Metering	12
11. Environmental Flows	13
12. Social Impacts	14

1. Executive Summary

- The Association is concerned that the *Greater Metropolitan Region Groundwater Sharing Plan* is seeking to address a large geographic area, spanning numerous rivers, valleys, catchments, communities and industries. A detailed and transparent assessment of all the complex requirements of the diverse range water users encompassed by the boundaries of this plan will be paramount to its success.
- It is important that all stakeholders, in particular water users, are kept fully informed via regular updates – not limited to electronic updates via the *Water For Life* website.
- The draft Water Sharing Plans must be built on reliable and locally-endorsed information systems.
- The Association considers population growth to be one of the biggest issues facing the Greater Metropolitan Region into the future, leading to increased net water usage in both urban and rural settings.
- The Association is seeking that a guaranteed flow/discharge commitment from Sewage Treatment Plants is outlined in the draft plans. However, guarantees must also be made that this discharge will not adversely affect water quality.
- The rules surrounding cease/commence to pump arrangements directly affect members' irrigation regimes and therefore their ongoing farming activities. As such, the provision of outlook statements will greatly assist in planning irrigation schedules and managing risk.
- The Association does not support the metering of BLR. However, due to the intense pressures of urban, industrial and residential developments on coastal waterways in the greater metropolitan basin, there is a unique requirement for an improved understanding of water use and availability in this region.
- The Association suggests that the draft plan should not proceed without a socio-economic assessment report.

2. Introduction

The NSW Farmers' Association ('the Association') is Australia's largest state farming organisation representing the interests of the majority of commercial farm operations throughout the farming community in NSW. Through its commercial, policy and apolitical lobbying activities it provides a powerful and positive link between farmers, the Government and the general public.

The Association welcomes the opportunity to respond to the draft *Greater Metropolitan Region Unregulated Rivers Water Sharing Plan* and draft *Greater Metropolitan Region Groundwater Sharing Plan*. The Association believes there are many issues that remain unresolved before a water sharing plan can be successfully implemented in the region. As such, the Association has participated in the regional consultation process via attendance at briefings for the Hawkesbury Nepean and Shoalhaven regions and understands that comments and feedback provided at these meetings constitute submissions as part of the consultation process. The following comments are provided in addition to these submissions.

As an overarching comment, the Association is concerned that the *Greater Metropolitan Region Groundwater Sharing Plan* is seeking to address a large geographic area, spanning numerous rivers, valleys, catchments, communities and industries. Members in the upper Shoalhaven, for

The Association is concerned that the Greater Metropolitan Region Groundwater Sharing Plan is seeking to address a large geographic area, spanning numerous rivers, valleys, catchments, communities and industries.

example, have very different requirements to members in the Illawarra. Whilst it is understood that the boundaries of the plan have already been finalised, the Association is concerned that without recognition of the diverse range of regional characteristics, and a high degree of flexibility within the plans to allow the varying physical attributes and demographics to be adequately addressed, the *Greater Metropolitan Region Groundwater Sharing Plan* could end up causing more problems than it solves.

3. Relevant Association Water Policy

The following Association water policy relates to policy that has been specifically developed for areas east of the Great Dividing Range.

Long term planning

- That the Government investigates and implements a long-term water strategy for coastal areas which addresses;
 - a) Urban, industrial, and rural residential pressures on coastal water
 - b) Saline and other water quality issues, and
 - c) The need for greater water storage capacity to support growth.

Macro plans

- That the Association seek :
 - a) Inclusion of Urban water in the water sharing and planning process.
 - b) That Government provides increased resources to the Macro Water Sharing Process so as to enable adequate local stakeholder input into Macro Water Sharing Plans, and that plans are completed as a priority.
 - c) The Department of Water and Energy ensures that coastal issues identified by the Association are considered in the Macro planning process on a catchment by catchment basis.
 - d) That high volume users (e.g Mines and Power Stations) are subject to the same water restrictions as Agriculture in times of water scarcity.
 - e) Improved telemetry and information regarding water availability in NSW coastal rivers and water courses.
 - f) A partnership program for introduction of standardised metering.

Harvestable rights

- That the Government revisit harvestable rights policy with reference to the special needs and attributes of coastal environments, taking into account local variation, so as to enable greater harvesting in suitable landscapes and do not undermine the integrity of existing water sharing plans;
- That special attention is given in this process to the unique needs and attributes of saline systems;
- That the Association lobby for improved data and analysis of topography and hydrology (land and streams), in order to support revision of limits to dam construction (e.g. third order streams).

Incentives for promotion of high-flow extraction

- That the Association seek incentives to extract high-flow water on the eastern fall by lobbying the State Government to:

(a) Increase the rate of exchange from low-flow water to high-flow from 1:2.5 to a higher ratio to reflect the capacity of regional supply systems.

Greater on-farm storages

- That the Association seek greater capacity for on-farm water storages with the view of harvesting excess water in the system during high flow and high rainfall events.

Mining

- That the Association seek accounting for loss of water resulting from damage to aquifers caused by mining.

4. Communication and Information

The Association understands that the development of the 2010 Metropolitan Water Plan is nearing completion, with the Community Input Phase 1 and Analysis of Options stages already complete. As such, it is important that all stakeholders, in particular water users, be kept fully informed via regular updates – not limited to electronic updates via the *Water For Life* website. These updates should reiterate basic information such as the role and composition of the Independent Review Panel,

It is important that all stakeholders, in particular water users, be kept fully informed via regular updates – not limited to electronic updates via the Water For Life website

timeframes for gazettal and commencement of the plans, and a local point of contact. Moreover, the role of the Greater Metropolitan Region Water Sharing Plans in terms of the overarching 2010 Metropolitan Water Plan must also be clearly articulated.

The Association understands that the draft Water Sharing Plans will be placed on public exhibition following consideration of submissions received in November 2009 following the targeted consultation process. The Association is unclear what the timeframes are for this process, and when the plan is likely to be gazetted.

In light of the complexity of the draft Water Sharing Plans and their local application, it is vitally important that an efficient and effective communication regime be put in place to ensure water users are fully aware of the new rules governing when water can be accessed; the applications that can be sought; where water may be transferred and under what circumstances. This transparency in communication is crucial if stakeholders are to have any planning certainty throughout the water reform

process. In addition, information must be provided in plain-English and in a format that can be understood and interpreted by all users.

The onus must be on the NSW Office of Water (NOW) to ensure accurate, locally applicable and current information is readily available to water users, particularly in relation to time-sensitive issues such as cease-to-pump orders and daily extraction limits. The Association understands that there was some consideration of requiring users to contact NOW on a daily basis in order to receive this information. The Association is fundamentally opposed to such an arrangement and does not believe it to be practical, efficient or a good use of Government resources. In providing a sensible, practical and workable solution to this issue, there must be serious consideration of the limitations of telecommunications technology. For example, if telemetry communications are to be utilised, there must be consideration of practical alternatives for 'out-of-range' areas.

The draft Water Sharing Plans must be built on reliable and locally-endorsed information systems.

Data collection via flow reference points will become increasingly important in the implementation phase. As such, it is crucial that gauges be appropriately located, with input from local users. This is of particular relevance after a major flow event, and will likely have a bearing on daily extraction limits.

The Association suggests that the provision of outlook statements at the commencement of each season would greatly assist water users to plan for the season, and provide improved planning certainty.

5. Planning

The Association considers population growth to be one of the biggest issues facing the Greater Metropolitan Region into the future, leading to increased net water usage in both urban and rural settings. As such, there must be a stronger focus in the draft Water Sharing Plans on the scope for development, and the likely increased demand on water, including

Association policy relating to BLR water is 'that no further rural residential or urban subdivision be consented to in sensitive areas until an adequate water supply for stock and domestic purposes has been secured'.

increased demand for the Basic Landholder Right (BLR) to Stock and Domestic Water. Association policy relating to BLR water is 'that no further rural residential or urban subdivision be consented to in sensitive areas until an adequate water supply for stock and domestic purposes has been secured'.

The Association is concerned that the draft rules, in their current form, do not appear to encourage the retention of agriculture within the Sydney Basin. This is of particular concern given that much of the intensive agricultural and horticultural production, occurring within the Sydney Basin, produces among the highest returns, in terms of dollars per megalitre of water used, of any region in NSW. In this time of critical water shortage, the policy focus must be in protecting areas where high water use efficiency is a feature of production such as the Sydney Basin.

The Draft rules also contradict the very positive future of agriculture predicted by the Hon Ian MacDonald (in his capacity as Minister for Primary Industries) at the Hawkesbury Nepean Forum on the Future of Farming held in the Sydney Basin 17 December 2008. This forum also referred positively to the future importance of stormwater harvesting in the region. The Association is unclear whether this is still the case given the absence of detailed discussion on this issue for either of the draft plans. Similarly, it is also unclear as to the role of the desalination plant in terms of future availability of water in the Basin. The Association is also concerned that the restrictions and current usage by utilities may seriously hinder future possibilities for diversification in the Valley, particularly given the very limited explanation thus far of the demands of the Sydney Catchment Authority, Sydney Water or other town utilities on water resources, and any potential changes to their requirements in the future.

The Association is also concerned that the draft plans do not appear to address the past, current and future impacts of mining on the catchment, ranging from the effects of mine dewatering on underground and surface aquifers in the catchment; to potential lowering of the water table; to significant changes to river flow regimes. The draft plans should include requirements to measure the degree of aquifer interference and consider this from a planning perspective to ensure no long-term damage to the river system from mining activities.

6. License Provisions

The Association understands that the public exhibition draft of the plans will provide more detail on future license provisions. These provisions will be of critical importance to water users, not only in terms of future planning certainty, but also in terms of day-to-day operations.

The Association understands that existing works approvals (be they dam, farm or river) will be automatically carried over, continuing under the *Water Management Act 2000*, meaning that there will not be a requirement to apply for a new works approval. This should be clearly articulated in the draft plans.

The new license provisions must also make it clear whether daily extraction limits will be spread across all license holders. Similarly, the impact of unused (ie sleeper) licenses must be factored in to the new license provisions and future extraction limits.

Given that licenced farm dams are a significant water source for many irrigators in the region, it is important that future arrangements for farm dams be developed in conjunction with local water users and clearly articulated. The Association understands that the categorisation of farm dams in the water sharing plans is not included in the draft rules. This must be addressed as a matter of urgency. Some of the issues relating to farm dams include:

- Volumetric Conversion of Irrigation Licenses

This should be done in a manner similar to that which occurred for river users but must also reflect the investment individuals have made in developing such storages. Such users should also have access to the funding arrangements available to river users for metering technology (if required).

- Water Trading

There must be an establishment of the criteria to be used in determining the due process for water licences being transferred in relation to farm dams.

- Third Order Stream Dams

Where dams on farms are on an unnamed watercourse, but deemed to be on a third order stream, a determination will have to be made as to which rules apply as they are not impacted by management decisions relating to the main river systems (classed as a storage on a river).

- Hillside Dams

Water users will be seeking confirmation that converted hillside dam licenses will be tradeable, and will require clarification as to what the status of a hillside dam traded,

all or in part, will be, as well as what the consequential rules will be, and the areas that they will be applicable to.

The Association is also seeking clarity on future trading arrangements under the draft plans, particular with respect to trading up and down stream. For example, will trading be considered on a case by case basis depending on which reach of the river you are on? Trading rules will require flexibility in order for them to be practical and deemed more than simply arbitrary.

7. Water Quality

Water quality is of utmost importance to members, and has been an issue of concern for members in the region in the past, not only from the perspective of the impact on water users' viability, but also the impact on the local environment. From a surface water perspective, the draft plans must provide clarity on the requirements of Sewage Treatment Plants (STPs), in particular the Camden STP. Members are keen to ensure that STP water continues to contribute to river flows. However, this must be on the proviso that the water quality is not prejudicial to the environment. The Association understands there have been numerous discharges of untreated effluent from the Camden STP for example. This has massive ramifications for all water users, not to mention the immediate and surrounding environment.

The Association is seeking a guaranteed flow/discharge commitment from the STP outlined in the draft plans. In the instance of a bypass or a severe reduction in output from the STP, all water license holders

The Association is seeking a guaranteed flow/discharge commitment from the STPs outlined in the draft plans

below the discharge point must be advised as far in advance as possible, as this will have a bearing on the day-to-day activities of water users in the region.

8. Cease/Commence to Pump

As mentioned in section 4 above, the rules surrounding cease/commence to pump arrangements directly affect members' irrigation regimes and therefore their ongoing farming activities. As such, the provision of outlook statements will greatly assist in planning irrigation schedules and managing risk. Members are also seeking clarity as

to how long a cease to pump order can be in place. Given the time imperatives, the Association would welcome a provision in the draft plans allowing irrigators to apply – under appeal – for the right to finish a crop before cease to pump applies. For example, the timing of water supply is critical for market gardeners. Provisions could be put in place to offer a minimal amount of water to finish a crop that is close to sale and suspend the planting of new crops during cease to pump arrangements.

The rules surrounding cease/commence to pump arrangements directly affect members' irrigation regimes and therefore their ongoing farming activities. As such, the provision of outlook statements will greatly assist in planning irrigation schedules and managing risk

The Association understands that the draft plans will contain a list of criteria for determining conditions that could create a cease to pump scenario. At this stage, it appears that these criteria will be quantitative only. It is therefore imperative that cease to pump guidelines/information of relevance to water users be provided in plain-English form so that they can be easily understood and implemented. As a cease to pump can be interpreted as a variation in licence conditions it is the responsibility of the licensing authority to inform water users of such variation in conditions. The quantitative rules need to be translated so license holders know how much they can extract.

9. First Flush Events

The Association is concerned by the proposed arrangements in the draft plans for first flush events. These arrangements must be considered from a more practical perspective. For example, if one property has experienced a rainfall event and a property nearby has not, the Association understands that the latter property will have to wait 24 hours before accessing the base flow, which does not appear equitable or practical.

Similarly, if the need for access occurs outside of the area impacted by the climatic event, an inability to access stored water on tributaries can still cause great financial hardship to water users. A water license holder should have the right to pump if the license holder is out of the area where the rain fell.

10. Metering

The issue of metering is a particularly sensitive one, and must be considered in conjunction with broader discussions surrounding metering and Basic Landholder Rights (BLR).

Although NSW operates under two different pieces of water legislation, the same BLR exist. Rural landholders have rights to access water for basic purposes and do not require a licence to obtain water via domestic and stock rights, and harvestable rights in farm dams (in addition to native title rights). The Association does not support the metering of BLR. However, due to the intense pressures of urban, industrial and residential developments on coastal waterways in the greater metropolitan basin, there is a unique requirement for an improved understanding of water use and availability in this region.

The Association does not support the metering of BLR. However, due to the intense pressures of urban, industrial and residential developments on coastal waterways in the greater metropolitan basin, there is a unique requirement for an improved understanding of water use and availability in this region.

The cost burdens associated with metering must be fully investigated as part of the plan development process. This cost burden is not limited to the purchase of the meter itself, but so too the installation and ongoing maintenance costs, which can be considerable. The Association understands funds have been made available to river water users for metering and information transfer regarding water. Funds should be made available to all irrigators in the catchment whether they draw water from the river, bores or farm dams.

Particular mention must be made of the aggressive nature, and high iron content, of the water in some aquifers in the Greater Metropolitan Region, particularly in South Western areas. This high iron content can cause meters with metallic or moving parts to become unserviceable, sometimes within weeks of their installation. As alternative meters that are designed to cope with these contaminants are highly costly the Association seeks assurances that the water sharing plan acknowledges this situation by either:

- a. Allowing alternate means of metering to be used in such circumstances (e.g. hours run meters), or

- b. Fully subsidising the cost of more expensive meters that may be required.

This added cost burden must not be the responsibility of affected water users.

The Association supports the undertakings given to the then Department of Water and Energy in the volumetric conversions process on the Hawkesbury Nepean Rivers system whereby meters were to be installed and quarterly returns forwarded to the Department. Any arrangement outside of this process requires all costs, including installation and ongoing maintenance, to be borne by the Crown.

Members are seeking clarification as to the cost of running meters, including the telemetry costs, and who is responsible for meeting these costs. It is also unclear who is to pay for a replacement meter in the event of a lightning strike, for example.

At this stage, it appears that the cost of running the meters and gauges may exceed the benefits that may result from these devices.

11. Environmental Flows

The Association recognises the importance of environmental flows to the catchment and understands that water users will have access to water during environmental flows. However, the engineering of the valves and other measures to ensure the environmental flow must support the philosophy of such access. Alternately, measures must to be put in place to ensure the ability of individuals to draw on stored river reserves. Members are also keen to ensure that transmission losses have been taken into account with environmental flows and are seeking guidance in the draft plans as to how often environmental flows will be released.

The draft plans should also include measurable objectives in terms of providing environmental water in the upper and lower Hawkesbury-Nepean system, given that the natural state of the system may facilitate less flow, recognising that it is a highly modified river system dependent on the flows from the large number of dams built on it.

The draft plans should include measurable objectives in terms of providing environmental water in the upper and lower Hawkesbury-Nepean system

12. Social Impacts

As mentioned in Section 5 above, the draft water sharing plans for the Greater Metropolitan Region have a unique challenge in terms of the projected population growth for the region, not only in terms of accommodating the general populous, but also feeding and clothing them. As such, the socio-economic impacts of the draft plans must be carefully considered as part of the plan development process.

The Association understands that socio-economic analyses have been completed to complement water sharing plans in other parts of the state and is seeking clarification as to whether a similar analysis will be conducted for the Greater Metropolitan Region, and if so, when it will be made available to water users. The Association suggests that the draft plan should not proceed without a socio-economic assessment report.

*The Association suggests that
the draft plan should not proceed
without a socio-economic
assessment report*

It should be recognised that as of June 2007, there were more than 2500 farm establishments (EVAO>\$5000) in the Sydney statistical division alone, with an estimated farm-gate value of more than \$400 million per year. This represents more than 5% of farm establishments (EVAO>\$5000) in the state. The majority of farmers in the region are from non-English speaking backgrounds. This is of relevance to the plans in terms of being aware of language barriers in providing information, resources and services.

Horticulture is the most prevalent agricultural sector in the Sydney Basin, which is of particular significance given that horticulture represents approximately 20% of employment across all agricultural industries. The flow-on effects of the draft plans must therefore be considered not only in terms of the immediate and direct impacts on water users, but also the impacts on employment.