

MURRAY VALLEY PRIVATE DIVERTERS
PUBLIC SUBMISSION
IPART DISCUSSION PAPER – PRICES FOR WATER NSW
REGIONAL AND RURAL BULK WATER FROM 1ST JULY 2026

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Murray Valley Private Diverters (MVPD) represents irrigation and stock and domestic interests for private pumpers, trusts and other smaller water delivery organisations in the Southern Riverina of NSW. MVPD irrigation members primarily have General Security water entitlements.

MVPD made a public submission in December 2024 for proposed Water NSW and WAMC water pricing determinations for period 2025 to 2030. (copy attached)

IPART considered concerns by rural customers that proposed pricing increases at that time were not considered affordable. MVPD appreciated IPART 's recognition of customer concerns over validity of proposed pricing increases and farming customers capacity to pay.

The issues raised in December 2024 remain valid and MVPD encourages IPART to show extreme caution in their determination of water pricing due to commence in July 2026. Due to a wide range of challenges that remain unresolved, MVPD recommends that IPART only enable a further one year interim determination based on CPI while all of the issues previously and currently raised are resolved.

What are the issues you consider IPART should further consider as part of this review?

Cumulative policy changes by the Federal and NSW Governments continue to undermine capacity for rural customers to maintain sustainable businesses and capacity to pay water prices as proposed.

The NSW Murray Valley has borne the brunt of the true impacts of successive changes in Government water policy, including increased protections for the environment and water recovery under the Murray Darling Basin Plan. Water security is further compromised by annual allocations that take the precautionary approach to worst case inflows scenarios, amending policies to recognise Climate Change modelling and a water market which has become uncompetitive for General Security (GS) users, particularly for family farm based businesses.

MVPD encourages a new approach that is focussed on Back to Basics – Delivery of water

- Prioritisation of environmental values have undermined reliability of General Security entitlements – *a rebalancing of priorities is critical to underpin the irrigated agriculture in the NSW Murray Valley*
- Water NSW is increasingly being required to meet environmental policies set by the Federal Government, the MDBA and NSW Department of Climate Change, Environment, Energy and Water (DCCEEW). *Water NSW does not set policies but the transfer by DCCEEW of policy implementation is creating unaffordable expenditure by Water NSW which is being passed onto customers*
- Consequences of cumulative and ongoing policy change from Federal and State Governments (eg DCCEEW) is not subject to cost benefit analysis – *with associated risks of cost shifting between Federal and State Governments and between State agencies onto customers*
- Expenditure increases outlined by Water NSW is not sustainable – *focus should be on cost efficiencies within Water NSW, including addressing inefficiencies on how decisions are made, including higher collaboration and engagement, including with external consultants engaged by departments*
- *A review of Water NSW costs should be refocussed ‘back to basics’*

Issues/Examples

- ✚ Ineffective stakeholder /public consultation by DCCEEW and Water NSW, increases project costs, prevents avoidance of project mistakes recognised by local stakeholders but not by centralised agencies.
- ✚ Project or policy expenditure can be further jeopardised by Water NSW/DCCEEW’s reliance on external consultants who prepare relevant documents for agencies, without discussion with local stakeholders (local knowledge) eg Basin Plan SDLAM projects or Barmah Choke bypass options
- ✚ DCCEEW’s proposed NSW Murray Valley Floodplain Management Plan – a plan designed to prioritise environmental priorities, has set criteria and rules for licensing of farm infrastructure that is prescriptive and impractical. A plan that has to cover thousands of Murray Valley landholders where retrospective licensing is required to be implemented by Water NSW within a 3 year time period commencing 2026. It is unclear what costings have been accounted for in this pricing period, implementation of the proposed FMP is to commence 2026.
- ✚ IPART’s kitchen table consultation approach was seen by IPART as a positive for community engagement, but is not supported by majority of customers.
- ✚ Water NSW has cut number of Customer Service Advisory Committee meetings, reducing engagement with customers

- ✚ Water NSW should identify customer capacity to pay and have greater influence on policy settings within NSW Government –that focus on practical application and on core business
- ✚ Cost shares of water should be revised to reflect Government policy commitments towards environment, climate change, and non-farming beneficiaries of regulated waterways
- ✚ Provide increase cost transparency to allow appropriate evaluation of expenditure and to implement a ‘lessons learnt’ approach to finding future savings

How has water use and crop production changed in your local area?

- NSW Murray Valley has incurred the lion’s share of water recovery in the Murray Darling Basin – deliberate decisions by the Murray Darling Basin Authority and the NSW Government. NSW Share of the Basin Plan downstream commitment to SA was mostly attributed to the Murray Valley by the NSW Government, endorsed by the MDBA
- Murray Valley General Security entitlements have declined in reliability, evidenced in a substantial reduction in summer cropping and use of irrigation water, impacting on revenue to Water NSW
- Rice production and other summer cropping such as corn, has an insecure future because of pricing and availability of GS surface water
- Summer cropping and watering of winter cereals is also at risk due to bore water pricing increases and returns on cropping which do not meet levels of financial return.
- IPART discussion paper notes that.... *Almonds are the most water-intensive horticultural crops in the region. 1.* Large scale development of almond investments downstream of the mid Murray Valley is reducing localised use of water, as water is increasingly traded to other users. Water demands by new Almond plantations impact water markets and affordability.
- Water pricing and GS reliability concerns have decimated the dairy industry
- The Murray Darling Basin Plan continued focus on buybacks of water in the Southern Basin is changing landscapes previously irrigated to an increase in dryland farming with consequential reductions in regional and local incomes.

Does the current method of water pricing support these changes?

- No. Pricing for water is beyond customers capacity to pay, surface or bore
- Cost shifting of core Government business towards ‘user pays’ principle is not reflective of capacity to pay, nor reflective of other beneficiaries who are not required to pay. Governments have increasingly prioritised public benefits but still retain existing cost shares under full cost recovery and ‘user pays’.

Have you observed improvements in the levels of rural water services provided by Water NSW to explain the increase in its base costs over time?

- No. Presentations on pricing at NSW Murray Valley Customer Services Committee meetings are presentation based, but lack detail or reasons for proposed pricing increases. There is insufficient transparency on expenditure, nor capacity within meetings to explore cost increases applicable to pricing determination.
- There is no opportunity to have transparency on costs of policy implementation that are appear non- typical of core business
- Water NSW staff at local levels are very helpful but it is challenging to inquire about issues without making an appointment in advance. A customer's first step is to ring a centralised number (not local) and a series of steps is necessary to find advice required. In previous times, locally based expertise streamlined outcomes in a timely manner
- For issues that require higher level discussions, it can be difficult for customers with specific inquiries to speak to the relevant team in other parts of NSW
- Water NSW use of remote staff to oversee policy implementation in other regions continues to prove problematic. Policy teams experienced or housed in the Northern Basin are then assigned to work issues in the Southern Basin. Too often this creates challenges in decisions and may lead to issues being determined based on different catchment /landscape needs

What is the appropriate methodology to calculate Water SW's WACC and should IPART apply a 10-year transition to trailing average for the long-term cost of debt and a 5-year transition for the current cost of debt for the MDB valleys?

- A uniform 10 year pricing determination period across NSW is the most appropriate format to ensure clarity and uniformity in pricing approaches across different customers
- Alternative options to vary pricing periods between regions or customers would be difficult for long term budgeting by Water NSW, increases risks relating to apportionment of high level costs across different regions

Would it be appropriate to include a true-up when setting maximum prices to account for not updating the WACC in the 1-year 2025 Determination?

- The short term pricing determination period in 2025 was necessary to address a range of factors , including concerns over Water NSW Pricing proposals and Customer risks,/capacity to pay
- Response to true- up is not supported if applied for other reasons on a general basis (No)

What do you consider the appropriate counterfactual to Water SW's operations under the impactor-pays principle?

- The application of cost shares requires review to better reflect *'full cost recovery and user pays principles'*
- Current application of the principles do not reflect changes in Government policies and cost shifting between agencies.
- Exclusion of effective customer consultation or co-design of policy, means that cost increases are imposed without ability of customers to be informed, discuss and work cooperatively with Government agencies to simplify processes, reduce costs and incorporate local knowledge – essential to avoid mistakes and reduce implementation costs
- Customers have been calling for at least the last three pricing determinations for a full review of cost shares. IPART acknowledges concerns but NSW Governments do not appear willing to progress changes or even a review.

Can you provide examples where it may be difficult to identify impactors? Or of situations where an impactor is easy to identify but unable or unwilling to pay the cost share assigned to them?

- Public beneficiaries of regulated Murray and Edward/Wakool Rivers and associated waterways
- Political benefits/or kudos attained for implementing policies that are unrelated to provisions of basic services in the supply of water
- Impactor pay risks also relate to cost shifting by other NSW agencies.eg DCCEEW develops policy but requires Water NSW to implement. Added to that mix is potential for any Federal Government implementation funding to be transferred without such evidence being transparent, or adjustment of costings to reflect payments
- The inability or unwillingness of NSW Government to hold effective discussions with stakeholder prior to MINCO or BOC meetings remains problematic despite years of requests. In 2025, Water NSW advised that meetings prior to BOC meetings *'would not happen'*. This statement was not accompanied by a demonstrated willingness to address customer concerns.
- Centralised decisions within NSW without consultation with stakeholders, can lead to inexperienced departmental staff, or Ministers or their advisors attending BOC or MINCO meetings without appropriate levels of understanding of Murray Valley issues, nor the implications of such decisions on NSW Murray Valley customers. It's a case of impactor is the NSW Government, but cost or consequences are borne by customers
- Political policies such as environmental priorities or climate change modelling can be applied as rules within NSW Water Sharing Plans or influence annual allocations

to General Security entitlements. NSW Government can derive political benefits but Water NSW customers incur the consequences, often in reduced water availability.

- Recreational and Tourism benefits are cost shares borne by Government, but the reliability of General Security entitlements to meet political imperatives has now reached such low thresholds where external beneficiaries are not directly required to contribute. To rectify this imbalance, Governments needs to pay a substantially higher share to cover public benefits

What do you consider the most appropriate method for allocating cost shares for Water SW's rural operations

- A full review is required to identify causes for the reduction in reliability of NSW Murray Valley General Security entitlements. This is not new, but no effective action appears forthcoming within agencies.
- For this determination period, without such a review, 50/50 cost share should be implemented that recognises rule changes that benefit external water users, eg recreation, tourism or other beneficiaries. This would mean until a complete review can occur that encompasses all cost/share issues, it would be appropriate for Governments to increase their share of costs to account for already identifiable public benefits and retain cost increases to within CPI.

Over what determination period should we set prices?

- MVPD recognises that a 10 year pricing determination uniformly set across NSW should be continued.
- However, the current unsatisfactory cost/share arrangements, the continued roll out of Government/MDBA policies, the Basin Plan review 2026 means that in this determination period a shorter time frame should be provided.
- MVPD seeks a further application of pricing based on CPI for the next 12 to 24 months. To apply a 10 year timeframe for prices under such uncertainty with Government /MDBA decisions on the future availability of water for General Security is untenable. To do so would apply unsustainable financial pressures on water users and lead to further exodus of water and farmers from this region
- It is unclear with the continued roll out of the Basin Plan what additional challenges will be placed on Murray Valley GS entitlement holders
- Application of pricing with CPI for another 12 months or two years, gives opportunities for NSW Government to recognise and act on the inadequacies of current cost share arrangements or address other issues such as pricing or policy areas externally, eg Murray Darling Basin Authority or Federal Government DCCEEW

What are your views on Water NSW's proposed revenue cap? Is further consideration of the form of price control a priority for you for the upcoming determination period?

- MVPD does not support proposal for a revenue cap as proposed by Water NSW
- Costs should be limited to CPI until there is a full recognition of policy changes of Government(s) that are impacting prices and inability for customers to pay

What factors should we take into account when assessing the most appropriate approach to forecasting water usage?

- Water NSW considers water order demands, based on forecasting usage & therefore potential revenue
- IPART's view to continue the 20 year basis as a forecast option is supported
- MVPD raises concern that Water NSW pricing forecast has under estimated the changes to reliability for NSW Murray GS entitlements (existing & future)
- There is also no evidence that Water NSW, DCCEEW and the NSW Government is prepared to address the risks and put forward policies to its own agencies or the Federal Government /or MDBA that restore reliability. Nor has a position been progressed that the Murray Valley cannot withstand further buybacks or policies that further undermine reliability. The tipping point is here and farmers are falling over the edge. This is evident from the drying of irrigated farms, the lack of summer cropping, significant reductions in dairying in the region, substantial negative impacts to the rice industry, market challenges and costs increases of water being shared by fewer remaining entitlement holders.
- There is insufficient confidence in climate modelling and/or BOM forecasts. At present the cyclical nature of seasons remains in keeping with many historical farming records, thus a reliance on historical seasonal events/years should still be the baseline for 20 year forecasting.

What do you consider the most important issues relating to Water NSW's rural pricing structures?

- MVPD does not support Water NSW concept for regional pricing
- There needs to be full transparency in costs attributed under principle of 'user pays', together with capacity of customers to have a more collaborative approach to explore efficiencies where possible
- MVPD supports continue application of pricing with existing variable and fixed charge proportions.
- MVPD is concerned any changes to pricing ratios with a high concentration on fix charges will make water for General Security uneconomic

- Retaining a Statewide approach to manage administrative overheads helps cost to be absorbed across the entire sector (as opposed to Water NSW preferred position of regional pricing). This gives more opportunity for stability in Water NSW revenue streams

Are any of these changes to pricing structures feasible within the timeframe of this review and what are the likely impacts?

- Government policy decisions continue to undermine irrigated agriculture in the NSW Murray Valley
- It is important for Governments and their agencies to review the social and economic impacts of these changes and identify pathways forward to rectify the damage already incurred and prevent further impacts.
- Murray Darling Basin Authority social and economic analysis has been inadequate, and proposed assessment as part of the 2026 Basin Plan review, is only taking a helicopter high level view and thus a dilution or understating of regional impacts. The MDBA have specifically identified, they will not be undertaking regionally based assessments, even knowing that the Basin Plan has had disproportional impacts on the Murray Valley
- IPART is also encouraged to recognise that impacts in the Murray Valley should not be viewed through the lens of major corporations such as Murray Irrigation Limited (MIL) as additional risks apply to water reliability outside of MIL operations. MIL has some flexibility in its management of water, or can have partnership opportunities with delivery of operational or environmental water with Government. MVPD members do not, thus at times announced allocations for private diverters can be different from those announced by MIL due to its own internal management of water
- MVPD members (direct river pumpers) are at increased risk also because of Government policy changes for river operations. Raising and lowering the Murray River in the manner the MDBA and Water NSW has done of recent years has had dire consequences for some members who are unable to receive their water orders, yet still have to pay the fees.
- MVPD recommends no changes to pricing structures until a full review of cost sharing arrangements, recognition of how Government policies are undermining GS reliability and strategies are implemented to address such risks

What are your views on the proposed approach to assessing efficient costs of the MDBA and the BRC

- MDBA pass through charges are not acceptable in their current form. Concerns have been raised over different determinations without change
- It is not appropriate that the MDBA can set fees without an oversight body to ensure transparency and credibility on charges passed through IPART determinations.

- MDBA pass through charges place the biggest risk onto the Murray Valley and despite repeated requests for Governments, IPART and/or ACCC to implement pricing oversight arrangements, nothing has happened
- MVPD notes IPART's previous responses that it does not have the authority to address these ongoing concerns. MVPD encourages IPART to make recommendations to the NSW Government to rectify this continued failure to ensure that MDBA pass through charges are justified, are transparent and that every effort to ensure cost efficiencies has been taken.
- MDBA does not provide adequate information to give confidence that cost shifting within MDBA does not occur. Without transparency within MDBA internal arrangements for allocation of costs, there are risks for inefficiencies or areas of Basin Plan or broader public interest policies costs being apportioned to Murray Valley General Security irrigators. Such risks also include a lack of transparency how costs are incurred within or between the MDBA or NSW DCCEEW, or Water NSW
- MVPD points to concerns with any pricing review, that its important to also assess WAMC charges. There is a lack of clarity on interlapping and potential cost implications between organisations and/or any external Government funding received.
- MVPD is aware of substantial failings in DCCEEW and WAMC processes resulting in significant cost increases and corresponding budgetary failures.
- There are strong concerns on DCCEEW and WAMC reliance on external consultants, the designed projects and the inability for local stakeholders to engage with consultants and or achieve efficiencies in WAMC development and implementation of projects.
- MVPD can provide specific examples to IPART, where internal workings of agencies lead to costly delays, mistakes and reduction in efficiencies. This includes SDLAM projects

What factors should we take into account when assessing customer capacity to pay?

- **MVPD draws IPART's attention to its submission lodged in December 2024.**
- General Security entitlements holder's capacity to pay has been further weakened with further reduction in reliability of water, continued focus by the Federal Government to purchasing water from the Murray Valley, impacting on remaining irrigators ability to source water when experiencing low allocations such as this year.
- Reduced water reliability also has direct impact on drought management and preparedness.
- Capacity to pay for some MVPD members is also severely damaged by MDBA, Water NSW or WAMC management of SDLAM Projects, which have far reaching consequences with budgetary blow outs and in some cases, involve decisions that

prevent customers from accessing their water orders, including stock and domestic and or Basic Landholder Rights (BLR) supplies.. MVPD can provide further information relating to specific examples

- District users of water face continuing higher prices for water, less reliability, low or zero annual allocations of water, and cost shifting of Governments under user pays principles or full cost recovery
- Water pricing and availability is one component of pricing pressures Murray Valley farmers are facing. Input costs of farming are rising, cropping margins are reduced and capacity to access additional water (if allocations are low), is often too costly to make commercially viable
- Murray Valley stakeholders continue to raise such concerns and in relation to Murray Darling Basin Plan impacts have done so since 2010, without change.

Groundwater Pricing

- MVPD refers IPART to page 9 of the attached MVPD December 2024 submission
- MVPD is concerned that proposed WAMC charges for groundwater are increasing the administrative cost based for water.
- IPART is encouraged to recognise the actual cost involved of pumping of groundwater is borne solely by the water user (eg farmer). Such costs of operations are already at high levels putting usage into unviable territory for a number of cropping systems
- Water NSW proposals for fees note a range of costs parameters including Groundwater Planning, data collection, license and water take management, surface water modelling, drainage modelling, regional planning and strategies to name a few.
- Groundwater pricing delivered by DCCEE, NRAR and Water NSW however is not accompanied by sufficient transparency and an evidentiary basis for price rises beyond CPI
- The NSW Murray Valley (surface and bores) participated in Southern Basin Metering project which means that most meters currently are owned and operated remotely by Government agencies. On-site visits therefore are significantly reduced and information is provided into departments through telemetry based systems.
- MVPD is concerned there has been no effective or evidentiary consultation on groundwater charges in the Murray Valley.
- This includes MDBA pass through charges where there is no transparency to identify what role/actions the MDBA take in groundwater management , other than influencing policies and collating reporting.
- It also is unclear if the MDBA rely on NSW Government sources for information on groundwater, in which case without full transparency, there is a high risk that pass

through charges are being applied inequitably or there is a risk of costings attributed when there is no justification.

- Proposed charges in this pricing determination, are not accompanied by information to give confidence to customers, that prices are justified.
- ***Recommendation: further discussion on groundwater charges is required with MVPD and customers***

Closing remarks:

Murray Valley Private Diverters encourages IPART to recognise General Security customers in the Murray Valley have already reached tipping point and beyond in their capacity to pay continued price increase proposed by Water NSW, WAMC, MDBA

Government agencies have not demonstrated necessary efficiencies to limit cost shifting on to customers

Consultation with stakeholders remains ineffective and limited. Cost management can be significantly improved by working collaboratively with local stakeholders, particularly in the Murray Valley because of its unique tri state management arrangements and intergenerational local knowledge of river systems.

Requests for direct and continued dialogue with Water NSW, NSW DCCEEW and WAMC for various aspects of water management and/or project design and implementation still has not been achieved

Stakeholder Groups who have offered solutions can be ignored or in one case met with a response..... “*we have cherry picked what we want*”. In this case only solutions offered by Murray Irrigation were accepted and funded, but no other solutions, even ones that did not require funding, was accepted by the NSW Government agencies. This is despite years of background preparation, positive consultation with NSW Agencies and the MDBA. Impacts policy decisions can be profound, but practical ideas are not given pathways forward.

NSW Government still has not enable effective dialogue between customers and NSW decisions makers, including prior to or post MINCO or BOC meetings.

Surface and groundwater users are also subject to substantial price risks without necessary transparency or justifications by NSW Agencies and the MDBA

MURRAY VALLEY PRIVATE DIVERTERS (INC)

PUBLIC SUBMISSION 9th December 2024 IPART REVIEW – WATER NSW AND WAMC PRICING 2025 - 2030

Murray Valley Private Diverters (MVPD) represents irrigation interests for private pumpers, trusts and other smaller water delivery organisations in the Southern Riverina of NSW.

MVPD encourages further discussions with IPART on proposing charge increases affecting the Murray Valley relating to Water NSW and Water Administration Ministerial Corporation (WAMC). Current proposals for Water NSW and WAMC charges for general security entitlements is not accepted nor do they enable continuation of the diverse agricultural production systems in the Murray Valley that underpin social, economic and environmental outcomes.

The National Water Initiative proposed the concept of full cost recovery and while this was not supported by a range of irrigation stakeholders, it remains the preferred model for Governments.

However the full cost recovery concept requires clearer boundaries about what type of charges can be applied to irrigators and it should not be a methodology for Governments to cost shift core business to private enterprise. It is critical that those paying the fees should have the capacity for great scrutiny of costs and there should be a major review of Cost Share charges under the full cost recovery.

MVPD also reinforces concerns that the full cost recovery principle remains a major impediment to business stability for many irrigation or mixed dryland/irrigation farming businesses in the Murray Valley. The capacity to continually absorb price increases has not just reached a tipping point, but under proposed changes will make access to water unviable for Murray Valley agricultural production systems.

This is accentuated by Government policies affecting the Murray Valley, which has dramatically reduced the reliability of General Security entitlements. High Security entitlements have not suffered the same reliability impacts as General Security.

The reality for Murray Valley agricultural businesses include, reduced reliability impacting annual allocations/water availability (approx. 47%), higher prices for annual trading on temporary water markets, increased pricing under full cost recovery and disproportional impacts on Government determined cost shares that should instead be attributed to public benefit outcomes.

Murray Valley customers have major concerns with:

- NWI principle of full cost recovery - water policy changes
- WAMC monopoly pricing, policy development and application
- Water NSW pricing proposals/ methodology /cost shares
- Murray Darling Basin Authority (MDBA) pass through charges
- IPART – identification of risks and issues

FULL COST RECOVERY MODEL

NWI and Pricing Principles

MVPD argues Federal and NSW Government water policies have not met NWI Property Rights and Pricing principles.

In the Murray Valley water policy changes, environmental water recovery and operational changes for Hume Dam and Murray River have undermined property rights and principles enshrined in the National Water Initiative (NWI). This has particular effect on NSW Murray Valley General Security entitlements.

The pendulum has moved further from water policy described in the NWI, with higher weighting towards environmental protection. This combined with political decisions on climate related modelling and other more general public policy positions, has reduced the core focus of Governments and water management authorities from the customer base who is still predominantly paying the costs (irrigation customers) to other interests.

Despite such major changes in public policy and cost shares, the principles of full cost recovery are still being applied and on upward projection, to irrigators. This requires major review.

- Government employment conditions are also exceeding private enterprise ability to pay under ‘full cost recovery’
- Irrigation based customers also do not have necessary levels of input into policy, management or programs that could influence costs
- NSW Government decisions on issues that relate to Government treasury/budget requirements, such as Land Tax
- Change in definition of term customer and user, whereby certain aspects of irrigation entitlements (eg Murray Valley General Security) has a lower value in terms of public policy but is still defined as benefitting customer under ‘user pays’ principle.

IPART also increased the proportion of cost shares that rural customers must pay. This included things such as Dam Safety, environmental planning, water quality and environmental monitoring.

Involvement of the customer base through stakeholder representation for environmental and types of monitoring is also not a common practise. External consultancies or university based monitoring also features strongly.

This created significantly higher costs being attributed to rural water users, without adequately considering the social and economic impacts and the true understanding of beneficiaries of a regulated Murray and Edward River system.

Recommendation:

- ***Review of full cost recovery costing model***
- ***Review of cost shares***

WATER ADMINISTRATION MINISTERIAL COUNCIL (WAMC)

Has a monopoly on water planning and management. There are significant concerns of Murray Valley customers (in particularly General Security) that WAMC monopoly roles does not value or enable genuine community engagement to a standard that should be considered necessary under the concept of ‘*user pays or full cost recovery principles*’

This includes efforts via NSW Murray Valley CAG meetings where for in excess of 10 years, customers have continued to request WAMC related meetings and/or have direct consultation on numerous WAMC related customer matters or policies without success.

This together WAMC capacity to develop and/or to implement policies is not compatible with any standards acceptable in private business standards..

This includes:

- Regulation – design and application
- Water planning – design and application
- Environmental policy
- Licensing – reduction in consultation/advertising, increased costs
- Murray Darling Basin decisions including Basin Plan and/or Murray River management
- Compliance and enforcement
- Administration efficiencies
- Metering (aspects)

Recommendation:

- ***IPART reject WAMC proposed billing increases of 2.5% & 28% per year***
- ***IPART support WAMC proposal that NSW Government pay a larger subsidy to avoid price shocks (currently forecast to see 42% of costs to be incurred by customers)***
- ***IPART reject current engagement by WAMC as inadequate, fails to meet necessary requirements, a model that should be rejected under a cost recovery model for customers***
- ***WAMC charges to customers for additional water planning is rejected until WAMC costs are fully reviewed, can demonstrate/efficiencies/and there is full transparency by the NSW Government in relation to what is/should be attributed under IPART pricing and/or cost shares to rural water customers***

WAMC metering charges:

Recommendation:

- ***IPART reject WAMC’s proposed non-urban metering charges including:***
 - ***Scheme management charges change (%) = 34.7 %***
 - ***Telemetry charge change = 2.5%***
 - ***LID downloads/validation change = 98.7%***
 - ***Meter service charge change = -5.3% (accept)***

- *MVPD recommends changes on full cost recovery/and/or cost shares to ensure NSW Government adequately self-funds its political policies*
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WATER NSW

COLLABORATIVE APPROACH TO PRICING

Water NSW describes pricing proposals as ‘*working collaboratively with our customers*’ⁱ

MVPD acknowledges the efforts Water NSW has made through the Murray Lower Darling Water NSW Customer Advisory Committee (CAG) in relation to presentations on pricing proposals for their submission to IPART, period 2025 to 20230.

MVPD seeks recognition of its concerns however that;

- Reliance on presentations of pricing proposals does not allow sufficient transparency, consultation or stakeholder input into pricing itself
- There is no collaboration or consultation on programs where broader NSW Government/Water NSW policy or its implementation, directly impact on pricing and or supply of water (excluding capital works)
 - Eg Barmah Choke bypass options
 - Climate or other environmental policies
 - External consultancies where issues determined are not consulted on regionally/locally and report findings have overlooked or not incorporated important matters
- IPART requirement at the last determination period for Water NSW to extend its customer reach beyond formal CAG advisory committees also raises concerns. For example;
 - Kitchen Table discussions.
 - Lack of communication about who, whether individual experience of participants is appropriate to provide informed feedback on a suite of complex matters and;
 - Weighting, how such feedback is incorporated by Water NSW in its pricing decisions.

GREATER PRESENCE WHERE OUR CUSTOMER LIVE AND WORK

Water NSW wording does not resonate with NSW Murray Valley customers needs nor experiences in addressing issues of concern. Murray Valley customers continue to highlight frustrations with centralised decisions with limited opportunities locally for issues to be understood, or acted upon.

- Decisions on policy, pricing, and programs do not reside locally in the Murray Valley and therefore customer concerns cannot be addressed locally, Navigating the complexities of decision makers on important matters remains elusive.

TREND COSTS: (eg land tax, dividends, labour)

Water NSW summarises their proposed trend costs, including for labour, land tax valuations, digital costs, efficiency savings and insurance. MVPD acknowledges all private business are facing increased costs, however Government cost structures are often not reflective of the reality of private enterprise or private business;

Land Tax Valuation:

- MVPD does not accept Government policy or pricing implications for NSW land tax

Dividends:

- MVPD does not accept pricing proposals by NSW Government onto Water NSW and its customers

Labour:

Water NSW submission notes:

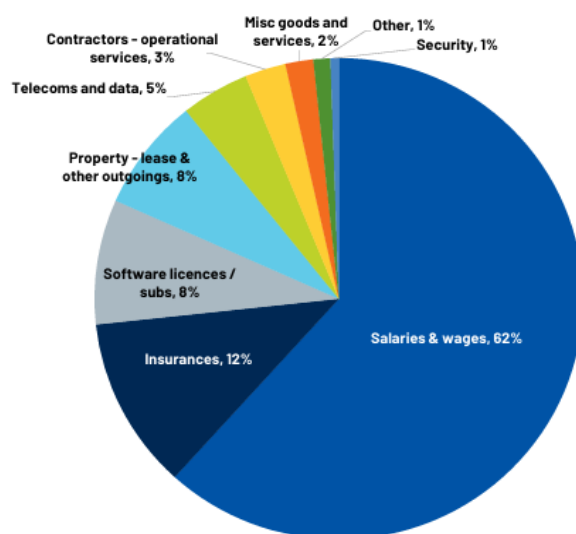
- Wage costs are expected to outstrip inflation over next few years
- 60% of Water NSW operating expenditure is labour and competition for finding and retaining talent.

MVPD recognises that expertise is highly valuable however in general, governments staffing conditions enable labour conditions and associated costs that could not be reasonably expected in private enterprise.

This includes weekly hours worked and examples such as additional remuneration payments during Covid.

- Working from home – additional payments over and above reasonable general costs incurred

Figure 43 - \$18 million cost savings since 2022-23 by category



Water NSW

PRICING TARRIFS/IMPACTOR PAYS PRINCIPLE

IPART pricing determinations continue to enable Water NSW and WAMC costs shares to be disproportionately applied to rural water customers. This is without rural customers having the ability to have adequate or any consultation on policies, services, nor ability to discuss more cost effective delivery solutions

- Environmental policies
- Environmental service charges
- NSW State water policies – Northern and Southern Basin
- Climate change modelling and its influence on NSW Government policy
- Valley by valley pricing – shared costs
- Fixed & variable pricing – cost shares
- Customer consultation changes eg reduction in CAG meetings/consultation changes
- NRAR

Recommendation:

- *IPART to further explore customers concerns about development/application of policy, related cost shares and review of proposed decisions to enable costing efficiencies*
- *Develop systems for consultation that ensure WAMC are required to directly collaborate with customers who incur pricing implications of full cost recovery and/or reliability impacts directly influencing capacity to pay*

MANAGING RISK

MVPD is concerned that Water NSW focus is on managing its own financial risks but has not taken into account the full suite of risks being imposed by IPART Pricing determination nor NSW Government policy decisions on Water NSW rural customers

This includes;

- Capacity to pay increased costs as per Water NSW pricing proposals
- Government policy risks on water availability
- Water NSW & WAMC policy changes that restrict or inhibit water order deliveries, water quality and environmental refugia or ability to ensure base flows in smaller regulated systems.

Recommendation:

- *A full evaluation of the term ‘managing risks’*
- *NSW Government policy change that mandates closer communication and collaboration between NSW DCCEEW, Water NSW and its customers in the Murray Valley*
- *Recognition that WAMC policies/DCCEEW are directly impacting Murray Valley General Security entitlement reliability contrary to the principles of the NWI and are impacting environmental, social and economic stability*



Bullatale Creek August 2024



Impacts on irrigation, house water

/quality, Stock

PRICING – MURRAY VALLEY – CAPACITY TO PAY

MVPD rejects Water NSW pricing proposals for 2025 to 2030 on the basis that the NSW Government through WAMC and Water NSW actions have not been consistent with:

- Meeting enshrined principles of the National Water Initiative (NWI)
- Has resulted in a decline of Murray Valley General Security entitlements to now an approximately reliability factor of 47%
- Water NSW and WAMC do not reflect customer requirements for genuine and meaningful engagement on important matters affecting NWI principles, supply related issues, and/or reliability factors
- MVPD does not support any changes to variable pricing

MVPD is extremely concerned and can provide documented evidence that the NSW Government has made policy related decisions that have disproportionately impacted the NSW Murray Valley

NSW Government water decisions are creating:

- A reduction in capacity to maintain historically diverse agricultural farming systems in the Murray Valley
- Reduced capacity to withstand or prepare for drought
- Inability for rural farming businesses (family farms) to absorb inflationary and additional unsustainable water pricing and administration costs

NSW Government supported the Murray Darling Basin Plan which has direct impacts on;

- Water availability and supply security

- Water markets (eg temporary)
- Regional flooding risks
- Loss of reliability associated with climate modelled precautionary principle

Table 2.1 Proposed price increases by 2030 (annualised increases in brackets)

| | Regulated rivers | | | | Unregulated rivers | | Groundwater | |
|-------------------------|------------------|-------------------|------------------|-------|--------------------|-------|-------------|--------------------|
| | High security | | General security | | | | | |
| Border Rivers | 245% | (28%) | 207% | (25%) | 179% | (23%) | 98% | (15%) ^b |
| Gwydir | 167% | (22%) | 170% | (22%) | 95% | (14%) | 98% | (15%) |
| Namoi | 146% | (20%) | 152% | (20%) | 95% | (14%) | 98% | (15%) |
| Peel | 341% | (35%) | 312% | (33%) | 95% | (14%) | 98% | (15%) |
| Lachlan | 271% | (30%) | 150% | (20%) | 99% | (15%) | 98% | (15%) |
| Macquarie | 173% | (22%) | 179% | (23%) | 99% | (15%) | 98% | (15%) |
| Far West | - | - | - | - | 54% | (9%) | 98% | (15%) |
| Murray | 192% | (24%) | 184% | (23%) | 96% | (14%) | 98% | (15%) |
| Murrumbidgee | 142% | (19%) | 130% | (18%) | 99% | (15%) | 97% | (15%) |
| Lowbidgee | - | - | 111% | (16%) | - | - | - | - |
| North Coast | 26% | (5%) ^a | 29% | (5%) | 101% | (15%) | 101% | (15%) |
| Hunter | 120% | (17%) | 118% | (17%) | 101% | (15%) | 101% | (15%) |
| South Coast | 16% | (3%) ^a | 21% | (4%) | 89% | (14%) | 101% | (15%) |
| Fish River Water Scheme | 55% | (9%) | - | - | - | - | - | - |

a. For North Coast and South Coast, WaterNSW proposed to keep prices constant (before inflation), and that NSW Government fund the difference between full cost recovery prices and actual prices.

b. Groundwater bills exclude BRC prices, because these are paid by a small number of customers in the Border valley. Appendix A includes bills for these customers.

Note: The increases are based on bills for metered general security entitlement holders with 60% usage, excluding very small entitlement holders who pay WAMC's minimum annual charge. For the Fish River Water Scheme, the increase is the weighted average for all customers. Increases include the proposed changes to Murray-Darling Basin Authority and Dumaresq-Barwon Border Rivers Commission prices.

Source: WAMC proposal, WaterNSW proposal, IPART analysis.

MVPD strongly rejects:

- **Proposed charges of 192% for High Security and 184% increase for General Security**

Murray Darling Basin Authority

In July 2008, NSW Office of Water provided advice to IPART that the Intergovernmental Agreement on Murray Darling Basin Reforms – included a principle of no net cost to the states of implementing the Commonwealth Water Act 2007

The Federal Government provides funds to the States, but MVPD has raised concerns about the lack of transparency related to NSW Government's receipt of Commonwealth funds to implement the Water Act 2007. It is not clear what money was provided, how it was spent, whether funds remain and whether there has been a substantial funding shortfall to implement a more complicated Basin Plan process than originally envisaged.

There is no transparency on how funds received by NSW have been utilised and how/if any Federal Government contributions did or continue to offset Water NSW or WAMC charges onto customers in the Murray Valley

In 2024, it should be deemed unacceptable that the Murray Darling Basin Authority (MDBA) can increase its charges by up to 60% without any review process, justification or transparency with its costings.

Recommendation:

- ***IPART recommend to the NSW Government thatt MDBA pricing pass through costs are not acceptable in current form***
- ***IPART recommend a system of external review (eg ACCC) on all MDBA activities/costs***
- ***IPART recommend the NSW Government require full transparency of all MDBA operational charges to clearly define what is core MDBA planning costs, what policy related costings and costs directly attributed tot Murray River /Dam operations.***
- ***IPART ensure full cost recovery principles do not include Government policy costs from the Water Act 2007 to either Water NSW /and or MDBA***
- ***IPART ensures the NSW Government provides full transparency on Federal funding associated with the Water Act 2007, Basin Plan, SDLAM projects, Water Resource Plans and other related policy actions***

MURRAY VALLEY GROUNDWATER CHARGES:

Water NSW consultation on Murray Valley Groundwater Pricing changes has been grossly inadequate, if at all. It seems awareness of proposed pricing changes are restricted to customers looking up Water NSW website.

Water NSW information paper (page 61 and 62) heading states: “*Groundwater proposed cost reflective prices and bills*”;

A.26 Inland.

Table 60 Inland Prices for groundwater, \$/ML, \$2024 – 25

MVDP has not had access to any detailed cost discussions on Murray Groundwater issues. Nor has there been any direct consultation via direct contact with customers on pricing proposals.

Information on pricing changes appears to be made available via customer visits to Water NSW website and information therein is extremely limited. There are no details to understand costings.

It is not also clear why Murrumbidgee pricing is separately noted on page 63 and 64, however Murray Valley is not. Therefore MVDP is assuming that Murray Groundwater charges proposed are included in A.26 Inland (Table 60).

MVDP strongly rejects the scale of groundwater charges proposed.

- ***There has been no direct consultation on groundwater charges***
- ***There is no pricing transparency or justification documents accompanying table 60, pages 61 and 62. Pricing % increases in various categories do not allow transpaent indications of cost rises.***
- ***Water NSW and WAMC do not undertake public consultation on groundwater matters for example, continue to license additional bores without public advertising***
- ***There is urgent need for Water NSW provide additional consultation on the details of proposed groundwater fees.***

MURRAY VALLEY PRIVATE DIVERTERS (MVPD)

PUBLIC SUBMISSION

NSW MURRAY VALLEY FLOODPLAIN MANAGEMENT PLAN: STAGE 2

Murray Valley Private Diverters (MVPD) represents riparian landholders and private entity river pumpers in the NSW Murray Valley (Southern Basin). Individual members and smaller organisational memberships (eg schemes or Trusts) generally are family-owned farmers who individually have relatively small extraction licenses and are located in or within designated areas of the draft NSW Murray Floodplain Plan

The Murray Darling Basin Plan in its current form concentrates disproportional impacts on MVPV members

- Basin Plan 2750GL Water Recovery target
 - 2289GL of this target to be recovery Southern Basin
 - Or 82% of Sustainable Diversion Limit
- Basin Plan is now extended by a further 450GL increasing social & economic impacts

The Basin Plan in its current form will reverse previous and successive Government planning and investments which saw the Murray Valley become Australia's major and diverse food producing region. The scale of Government purchase of water from the Southern Basin is undermining food production to meet political objectives.

Government policies guiding water recovery are accompanied by Federal and NSW Government policies to transform the Murray River and Murray Valley to a new regime of higher river flows affecting the Murray and Edward/Wakool River systems, increasing the frequencies of minor, moderate and major flood events.

- Federal and State Governments , to meet Basin Plan objectives will amend existing Murray River operational rules to create '*overbank flows*' to meet political flow objectives for South Australia's Coorong, Lower Lakes & Murray Mouth (CLLMM)
- The Basin Plan has determined that 'environmental flows will be released from Hume Dam timed with unregulated flow events down the Ovens & Kiewa rivers (Vic) to create overbank flows downstream of Yarrawonga Weir.
- The frequency of inundation of the Millewa and Barmah Forests will be transformed to 1 to 2 yearly events. Any other subsequent catchment rainfall will take a planned event into major flood categories

The proposed NSW Murray Valley Floodplain Management Plan is designed to implement new rules of management in the Murray Valley to deliver on Murray Darling Basin Plan objectives. A key aspect of this will to be optimise the movement of Commonwealth water by removing or restricting any impediments

The Objects of the NSW Murray Floodplain Management Plan make no mention of social and economic impacts, has no recognition of the important role Agriculture has in the district, including irrigated agriculture.

The objects a), b), d), e), f) instead have sole focus on environmental objectives

The only reference to people is c) which refers to minimisation of risks to life and property in the floodplain. However the combined outcome of repealing the existing Central Murray Floodplain Plan will mean flooding events in the Murray Valley are to increase in the Murray directly due to Government policies, including;

- Murray Darling Basin Plan Environmental Watering objectives – raising Murray and Edward River Levels beyond existing rules (rules that were designed by Government that reflected the natural carry capacities of the complex river systems in the Southern Basin.
 - Relying primarily on the Murray River system in the Southern Basin to deliver Basin Plan end of system flow objectives, an extra 2000GL to SA Coorong, Lower Lakes & Murray Mouth (CLLMM)
- Basin Plan mandated ‘piggy backing’ concepts of Hume Dam releases on Victorian tributaries natural events (eg Ovens & Kiewa)
- BOM are not equipped, nor is it feasible to assume that the MDBA and NSW DCCEEW and Water NSW will be able to manage risks that their ‘anticipated’ flows will be accurate.
- NSW Government response has been to finalise the NSW Water Act 2000 amendment bill, which removes liability for Governments and agencies. If MDBA or Government agencies release environmental flows (planned flow event) and levels exceed anticipated flow rates;
 - they are deemed to have acted in good faith and any liabilities are negated
 - any subsequent catchment rain event is deemed ‘natural’ with no risk to agencies
 - Proposed rules will allow Governments to ignore pre-advised risks

NSW Government supports:

- MDBA and Basin Plan objectives are to increase regional flooding to 1 flood every 3 years (3 per decade) downstream of Yarrawonga Weir affecting the Murray and Edward Wakool system
- Changes to Murray River operations to amend regulated flows from ‘*within natural river banks*’ to ‘*overbank flows*’ with flow on risks to private land
- The Murray FMP being redesigned to facilitate these objectives

- **NSW Government is imposing major financial and regulatory burdens on farmers in the Murray Valley, a region that continues to experience high levels of stress, financial strain and mental health issues**
- **The NSW Murray Floodplain Management Plan is fundamentally an environmental plan designed to meet objectives of the Murray Darling Basin Plan,**
 - *a plan that has concentrated water recovery (& its delivery) in the Southern Basin, in particular NSW Murray Valley*
 - *a plan by design intends to increase frequency of localise flooding to 1 in 3 years*
- **The draft NSW Murray Valley Floodplain Plan's places unreasonable, costly and impractical restrictions to farmers within the proposed floodplain boundaries**
- **The draft Plan sets rules that re-define existing use rights**
- **The Legislation also allows relevant Ministers to redefine the plan at any stage if considered in the public interest. This implies that the plan may be open to further changes and amended license conditions to meet political goals**
- **The Plan however should have provisions for change if aspects are unworkable**
- **The NSW Murray Valley FMP should be revised as it is places farming families in a critical sphere for mental health.**

PUBLIC CONSULTATION

The NSW Murray Valley Floodplain Plan will replace the existing Central Murray Floodplain Plan under the Water Management Act 2000. The existing Central Murray plan was developed by NSW Government agencies and community representatives over many years, the plan was inclusive of local knowledge, considered an essential part of interagency/community shared planning approach.

By contrast the proposed draft replacement NSW Murray Valley Plan brings in additional localised regions but was developed by DCCEEW's Water Group, conservation programs, Heritage and Regulation group.

The replacement plan over two years ago was described by the then NSW Floodplain manager as “ *the Plan won't involve major changes, will incorporate existing approvals and is not connected to delivering the Murray Darling Basin Plan*”.

The departure of these sentiments is apparent in the draft NSW Murray Valley Floodplain Plan.

Stage 1 Consultation

- There was limited public awareness of Stage 1 consultation period including;
 - Capacity to retain or manage existing farm infrastructure

- New licensing conditions that imposed major changes to agriculture and operational management
 - Retrospective licensing for existing infrastructure on farm
 - New controls or limitations or prohibition of existing infrastructure on farm
- Reliance on one advertised meeting was not an effective means of engagement and communication with affected people, one-on-one consultation meetings were also not effective, there were limited places made available for one on one appointments and landholders did not have sufficient pre meeting information on what NSW Government changes would mean
- Future changed licensing conditions were not explained, booked consultation timeslots were limited in availability and actual time.
- Landholders attending reported back to representation groups that discussions appeared more about confirming or not boundaries of the floodplain and whether their individual properties were mapped accordingly
 - landholders were not aware of implications of the plan or rules that were being developed by the NSW Government.
 - Department had limited places available for people and attendees in the Central Murray region are estimated to be less than 100 out of thousands of impacted landholders.
- As a response to concerns expressed in the community, Murray Valley Private Diverters (MVPD) sought an additional meeting with DCCEEW representatives. MVPD appreciated this opportunity to have more detailed discussions but it soon became obvious there was a major gap in understanding by DCCEEW of this region;
- Irrigation in the Central Murray Region was gravity fed & thus above ground channels are an essential part of water delivery systems. DCCEEW proposed '*no above ground channels*'
 - The Murray Valley did not have floodplain harvesting, as occurs in the Northern Basin
 - And the exclusions proposed were not suitable for this region

Stage 2: Consultation

- State 2 Consultation has been inadequate for the scale of change proposed
- It has occurred over the busiest three months of the year for farmers, shearing, harvest and summer crop sowing.
- Consultation had limited spaces available via on- line discussions.
- majority of affected landholders by new FMP conditions remain unaware of Floodplain Plan changes and new licensing implications

- Proposals under the FMP are complicated and there are layers within the FMP that can alter what the FMP means to an individual.
- The lack of effective engagement with communities in this region means that majority of farmers affected will be disadvantaged by the consultation process
- DCCEEW has not provided sufficient opportunity to workshop ideas and risks with representative groups, nor to engage effectively so that impractical aspects of the FMP can be addressed and alternatives explored
- Submissions timeframe is inadequate, questions or concerns raised to DCCEW and/or Water NSW cannot be answered effectively and explanation of rules appear to have different interpretations between agencies
- DCCEEW has provided advice that the submission deadline of 16th November is the only opportunity for landholders within declared FMP zones, to provide feedback on their individual situations with accuracy of mapping.
 - If the majority of impacted people are not even aware of proposals outlined in the NSW Murray FMP, it means thousands people will not have an opportunity to participation in mapping corrections or discussion on changes proposed affecting their agricultural operations
 - In discussions with DCCEEW , MVPD is aware that if a landholder is concerned about zoning indicated in the maps, (links on line)

MVPD draws attention to the following and encourages the NSW Government to reflect, has it adhered to its own policies on public consultation? (see extracts below)

Do they think the scale of change being proposed on the NSW Murray Valley is fair and reasonable? Are affected families had sufficient explanation or opportunities to be aware, or discuss, or are now in a position to respond via submissions? Do they realise that Sunday at midnight is the only opportunity offered for landholders to submit responses on whether rezoning maps of their properties is realistic or accurate?

The NSW Government’s 2024 Consultation Guide contains important elements for engagement with the community.

The purpose of this Guide is to incorporate internationally recognised best practice into NSW Government consultation with regional, rural and remote communities that face unique public participation challenges

Principles include:

- ❖ *Consultation activities have a clearly defined purpose and objectives that are shared with the public.*
- ❖ *The process is focused on achieving an outcome, but not one that is pre-determined.*
- ❖ *Participants are provided with adequate time, background information and opportunities to participate in a meaningful way*
- ❖ *Engagement that is rushed or held at inconvenient times for the community, limiting opportunities for meaningful participation is perceived as distrustful*
- ❖ *People and communities can help inform and influence decisions that impact them.*
- ❖ *Adapting engagement plans and the timing of consultation activities to meet the needs of community members (for example, farmers during harvest season, or working parents).*
- ❖ *Reviewing consultation at the end of each stage to identify opportunities to improve practice and increase participation.*
- ❖ *Ensuring consultation is fit-for-purpose and suitably adaptable to respond to changing dynamics among stakeholder groups (for example, it may not be appropriate to consult on a non-recovery related project too soon after a natural disaster).*
- ❖ *Building extra time and resources into the planning so consultation can be responsive to changing needs of the community (for example, Sorry Business in Aboriginal communities).*

Recommendations & Comments:

- **NSW Government undertakes an internal review of the proposed NSW Murray Valley Floodplain Plan and associated proposed rules**
- **Establishes a workshop and educational public forums with affected landholders**
- **NSW Government's extend consultation, and provide improved opportunity over reasonable timeframes for affected people to work constructively within Government to ensure fair and reasonable rules.**
- **To modify the plan to avoid major social, economic impacts that rural business can least afford.**
- **Amend rules to ensure are practical, affordable and can be implemented within private and Government resource capabilities and within realistic timeframes.**
- **Develop a plan that removes the likely scenario where landholders and/or government agencies deliver on their licensing objectives, leaving Landholders in situations of unapproved flood works, incurring legal risks & penalties from NRAR**

DRAFT NSW MURRAY VALLEY FLOODPLAIN PLAN ISSUES

Following confusion and concerns by landholders, MPVD met directly with DCCEEW to discuss issues and learn more about what was being proposed.

It was clear that a series of rules proposed did not reflect the region, nor were practical in the Murray Valley. However, while MVPD and DCCEEW discussions on that day did result in improved recognition of some issues in the region, the draft plan is still not practical, is overly restrictive and imposes major changes and cost burdens on affected landholders.

- + Landholders wish to be compliant but the complexities and over prescriptive rules do not permit a realistic pathway for licensing”**
- + DCCEEW advise landholders to self assess if they need a Flood Works Approval, they need a decision support tree to guide that**
- + Definition of Floodworks has not been included in the FMP?**
- + There is no definition of floodwater compared to ponded water from localised rainfall**
- + There should be no height limits on infrastructure protection works or flood levees or water supply channels**
- + Mandatory conditions – Plan should not include climate change provisions which enable Plan to be changed within 3 years**

Licensing Applications

NSW Government proposals for how new rules will be set and administered for the Murray Valley are not practical and place major business restrictions on existing farming operations. At first glance this may appear not to be the case, but exploration of all information both within the draft plan itself and background associated documents suggest major changes in how food production and agriculture can occur in future in the Murray Valley.

The Central Murray Floodplain Management Plan was developed in partnership with Government, scientists, environmental and farming groups. Different defined stages had been finalised in terms of licensing approvals, while some particular areas in Western reaches were still being progressed

A new NSW Murray Valley Plan is being developed by government agencies remotely from the region. It was evident at the start of consultation, agencies personnel did not have a good understanding of the region.

Local stakeholders were concerned that NSW agencies approaches in the Northern Basin of NSW could not replicated in the Southern Basin. To some extent, the draft NSW Murray

Valley FMP has recognised differences (eg will allow existing above ground channels in Zone A & B but no new above ground channels in Zone A. Many complexities remain challenging and yet to be resolved

- NSW Murray and Lower Darling Water Sharing Plan (thus Murray Valley) does NOT allow Floodplain Harvesting
- Irrigation in the valley is gravity designed, including originally Government initiated and owned schemes _ eg delivery of water is generally by gravity through above ground channels
- Individual property or group schemes require a Works Access License and pumps servicing gravity fed channels are usually located proposed Zone A
- Most Irrigation licenses related to the WAL aspects, but related irrigation infrastructure eg channels, or irrigation bays were not noted specifically in the license. This means that for most farmers, new licensing of a wide range of on farm infrastructure.
- Levees in the Murray Valley are NOT designed to harness or divert water into on farm infrastructure (eg floodplain harvesting)
- Levees are designed for flood protection and the Central Murray Floodplain Plan licenses levees, are design to maintain the Floodway Network.
 - There is widespread concern that existing licensed levees may be repealed or that new licenses won't be reapproved after their existing expiry date
 - Unlicensed Levees under the Central Murray Floodplain Plan need to be reviewed but extreme care in licensing is required, as a simple ban on future licensing can expose a large range of properties and/or areas to flood inundation
 - NSW Government needs to account for all risks , including the risk that NSW Government itself is imposing on the Murray Valley with its endorsement of the Murray Darling Basin Plan in its current form

DCCEEW has set the plan life of 10 years and licensing approval timeframe of 3 years

- Water NSW does not have the capability or resources to process and reach approval stage for thousands of Murray Valley landholders within the 3 year time limit
 - MVPD estimates there are only approximately 20 and 30 licensing officers within Water NSW
 - Individual approvals are made more complex by the rules proposed, increasing the workload and timeframe for each assessment
 - Cost increases to Water NSW will be significant and ultimately in increasing water pricing under IPART pricing reviews.
 - Water NSW has significant budget deficits and challenges in this current pricing period, implementing the NSW Murray Valley FMP will increase budget risks & pass cost increases to farm based users of water (irrigation)
 - MVPD estimates each approval timeframes will be well in excess of a 4 to 5 month period

- The application process is cost prohibitive, cumbersome, complicated and difficult to navigate with no guarantees of an advisory process to enable easier pathways to license approvals.
- DCCEEW has set plan rules, Water NSW will interpret those rules, applications under some criteria will require a landholder to utilise the services of a consultant to prepare their application. In all 3 separate but linked approval steps, already MVPD has experienced different interpretation advice on draft rules between Water NSW & DCCEEW.
- MVPD has investigated consultant's availability and projected costs. Contrary to advice from DCCEEW who suggest low costs impacts farming applicants;
 - Estimates of cost involved in application fees, consultancies and other material landholders must consider, are more likely in the range of \$40,000 to \$60,000
 - There are limited if any, hydraulic modellers available to assist landholders comply with the proposed rules which further delays applications
 - Consultants will also be required to interpret other aspects of an application eg environmental related issues
 - MVPD has sought information how a consultant or landholder making such an assessment can factor in over a 3 year period, all other changes to other landholders or localities being determined by Water NSW or DCCEEW rules. Examples include estimates of impacts on 3rd parties by applicants.
- This DCCEEW rule relating to 5% impact threshold for neighbours will be difficult for an applicant to meet or determine because of other licensing or non-licensing, or subsequent de-commissioning orders by NRAR
 - For each action there will be a reaction in how this 5% can be effectively assessed. It is impossible therefore to accurately assess 5%
 - When MVPD queried this risk, DCCEEW response was that the consultant would look at a Government licensed approval site, BUT this doesn't account for continued change and puts at risks a consultants assessment because real time data is not likely and may not account for variations, new or rejected applications ---- all of which can alter flood flows
- If an individual farmer has multiple adjoining properties, DCCEEW has advised one application can be made, however surety that this is the best pathway is not clear or transparent.
 - DCCEEW has advised it would be simply to 'sub divide an application', however experienced and history with Government processes suggest nothing would be simple and it is likely higher fees for subdivision of a FMP approval plan over 2 or more adjoining properties would not be a simple or timely event

- In the event of a family's death and relevant wording of wills, a property and water that is split up for children this adds to risks and complications
 - NSW Government changes to unregulated Water Sharing Plans for example have meant that one farmer with an existing Works Access License (WAL) who wishes to bequeath in a will the property but has separated the property into two different sections, one section may contain the WAL, the other portion now may not. This was raised as a key concern in consultation on the Murray Unregulated WSP. However under the rules for Murray Valley FMP's, the capacity to get new works in zone A would now not be permitted. The member of the family who received the portion of the property without an existing WAL, may have received a share of water assets under the Will, but may not be permitted to extract that water because FMP rules deny a new WAL in zone A
- Draft Murray Valley FMP rules could also be interpreted differently by consultants who may have additional experience, can offer alternatives or solutions, but the complexities of who set the rules (DCCEEW), who administers the rules (Water NSW) and lack of flexibility can rule out such arrangements.
 - It is already evident there are insufficient available modellers or consultants to undertake hydrological studies or to assist landholders with the complications associated with applications
 - MVPD is aware NSW Murray Floodplain will initiate major changes on thousands of farmers with major impacts or irreversible financial changes to their businesses
 - Water NSW capacity to implement Northern Basin FMP's was limited to several hundred people by comparison
 - There is no explanation by the NSW Government how it will be possible for landholders in the Murray Valley to achieve fairness with proposed rules, no flexibility and all in a three- year licensing window
 - It will take years before landholders become fully aware, enter the competitive space for advisory consultants, the numbers which won't exist.
 - DCCEEW has not demonstrated sufficient levels of understanding what the rules mean for a farming business and the ramifications to assess whether the rules are practical, or need adaptation/adjustment
 - Consultation has not given confidence that the process for approvals will be clear nor transparent. Water NSW in the Murrumbidgee Valley suggest *pre-applications* can be submitted which can be interpreted as a step which would help/guide landholders on their needs for a final application. However this appears not to be the case.
 - DCCEEW are consistently advising landholders to get advice from a Pre-Application meeting with Water NSW.

- However Water NSW has indicated it will not provide advice to assist landholders with their applications. DCCEEW also has limited on ground knowledge or experience and to date appears to adopt the same approach.
 - Water NSW has indicated it will not provide advice on what constitutes a flood works, requiring licenses. DCCEEW has made similar comments
 - Landholders are then faced with further consultancies costs to prepare information, still with little knowledge/or transparency about the extent of what issues need to be licensed on a farm, how to interpret the full range of supporting documents that underpin the proposed FMP and then, what information is needed to work towards submitting an application
 - Reliance on Lidar in this region is also not deemed appropriate for landholders or consultants, to give accuracy to assess DCCEEW criteria for impacting neighbours /parties (eg to comply with the less than 5% rule)
- DCCEEW has not made a range of digitised information readily available or in a user-friendly format to assist landholders understand rules, and/or, consider their own individual needs when considering what /why issues require a license application.
- Existing mapping available in this preliminary consultation stage 2, should not be the basis as a legal basis for rezoning.
 - The maps are not detailed enough to inform landholders, ie doesn't include licensed levees or the cumulative changes that as approvals are granted or decommissioned
 - DCCEEW needs to have a live site to assess department processes/decision/changes as existing infrastructure is approved
- Landholders may or may not be aware of the extent of the broader range of legal considerations which the rules also refer to and must be addressed, as part of any application. Eg Cultural Heritage, Environmental overlays, Biodiversity or Vegetation laws etc or complexities outlined in supportive documents
- The overly complex nature of applications and information to be included, creates major risks that an application could be rejected, due to inadequate information or assessment of risks. All this can be open to interpretation by both landholder, Water NSW or DCCEEW.
- This means further work and costs to an applicant, including for a consultant, a high likelihood for most farmers.
 - The process risks higher costs and additional work all involved, with still no clear guidance or guarantee of approval
 - It is not clear if an application is re-submitted, can it be included in the original application or does a resubmitted application trigger a new approval process, with a new application fee?

- Water NSW has indicated it will **not give advice prior to applications** and it is not clear whether any initial rejection would be accompanied by advice on how to resubmit
- Natural Resources Advisory Regulator (NRAR) can order de-commissioning of any works without a license (post 3 yrs) and/or initiate legal implications for non licensed structures
 - A landholder may be subject to actions by NRAR despite having made every effort to seek licensing approvals within the 3 year period
 - Delays or challenges in interpreting rules or managing workloads, can occur with Water NSW, DCCEEW or Consultants , but the applicant wears the risk
- There appears no independent or appeals process if applications are not approved
 - Appeals to Water NSW or DCCEEW
 - Appeals if NRAR initiate legal action or de-commissioning orders even if challenges are outside the landholder's capacity
- Adding to the timeframe challenges is a NSW State Election due in March 2027
 - NSW agencies will not be able to effectively progress decisions prior to or in caretaker periods – a substantial period of time

Recommendation & Comments:

- The design of the original Central Murray Floodplain Plan is recognised and incorporated into the NSW Murray Valley FMP. Repealing of existing plan does not negate existing licenses, nor prevent relicensing of existing licensed flood works
- The Murray Valley FMP should not prioritise environmental objectives over social and economic needs
- NSW Government recognises modernisation and/or adoption of technologies in dryland farming and irrigation systems must be recognised, including a flexible and adaptive licensing system in all zones
- Balance social, economic and environmental values in all licensing decisions
- NSW Government ensures permanent/ongoing grandfathering provisions, for existing licensed levees and on farm irrigation works
- NSW Government recognise elevated flooding risks will result with implementation of the Basin Plan; ensures sufficient flexibility in licensing of structures to manage increased flood risks; enhance protection of private property
- **Amend the licensing period from 3 years to 10 years** (life of the Plan) years
- **NRAR policies be amended to ensure no penalties for unapproved works during 10 year period**
- NSW Government does not support MDBA decisions that increase regional flooding risk, that flood risk prevention policies are developed with local stakeholders and reflected in BOC & MINCO decisions

MAPPING & SUPPORTING INFORMATION

Stage 1 consultation for limited attendees at meetings, enabled brief glimpse at map impacts on individual properties. As the rules were not available at the time, landholders attending only received an overview concept, but implications of mapping was not only not available, but would not have been understood

Stage 2 Consultation, again had limited opportunities for individual landholders to be aware of farm mapping and/or implications. Those that did have a booking on line, were still not able to explore or understand the significance of rules proposed.

MVPD does not support DCCEEW's use of the 2016 and 2022 flood events as a basis for determining new and restrictive rules in the NSW Murray Valley FMP

1. In 2016, the MDBA is on public record as not recognising risks in an La Nina year, nor did the MDBA use its existing air space rule for managing flood risks – despite continuous public appeals
 - a. In 2016, the MDBA is also on public record post the flood, they ignored the BOM forecast. In panic the MDBA dumped 20% of Hume Dam in one week causing major damage to stock, infrastructure, agriculture and the environment
2. In 2022, La Nina conditions prevailed.
 - a. From July onwards the MDBA also did not recognise combined risks of wet catchment and high major storage levels and did not maximise use of its airspace rule.
 - b. In October, high dam storage levels in Hume and Dartmouth continued, together with wet catchments/La Nina conditions. Following a flood event in Echuca from the Goulburn River, the MDBA became concerned about Hume Dam storage levels & released water from Hume on top of an already swollen Murray upstream of Tocumwal. Catastrophic flooding results and extended for months
3. 2022 was not typical of a Murray Flood event, a combined effect of high releases out of Hume, substantial and non-typical ponding of localised rainfall following a substantial regionalised rainfall over non catchment areas, led to many areas of the landscape being inundated that never historically have been so.

On- line mapping provided by DCCEEW has layers in which a landholder can navigate what portions of private rural land has been re-zoned either A, B, C, or SP.

Re zoning of land visualised through mapping can be interpreted as general concepts of inundation by a landholder. Unless the landholders understands all relevant documentation and rules that underpin the draft FMP and licensing requirements, it is easy for a landholder not understanding the implications or need for accuracy.

Most likely, a landholder will not be aware of mapping inaccuracies until that person applies for flood work licenses. This places a landholder at significant disadvantage.

Mapping quality and details may also not be of a scale for a landholder to accurately identify his/her own works, or which part of the works, to see whether in Zone A or B.

For those limited number of landholders who were aware of Stage 2 consultation and could book into on line limited spots, it is not clear how any issues of mapping accuracies will be addressed by DCCEEW.

MVPD received information from DCCEEW that Stage 2 consultation (which has closed) was the only opportunity to have maps verified and corrected. This means that any application for licensing going forward, can risk an approval decision being based on mapping accuracies or inaccuracies.

DCCEEW also have layers of environmental considerations, most of which is not visible to the landholder during consultation, nor the explanation of the significance or implications of vegetation, wetland, cultural heritage or other overlays.

Recommendations:

Mapping be revised to become a decision support tool, not just a fixed rigid zonal map and licensing system, where private land is automatically rezoned with associated inflexible rules

- Licensing must not be limited to use of DCCEEW mapping only, Flexibility, on ground information/verification by a landholder or their consultant and above all a common sense approach that enables licensing to occur, balancing social, economic and environmental considerations
- DCCEEW allows mapping validity to occur over the entire period of a licensing application.
- Application period for licensing of works continues over the 10 year life of the FMP

REZONING

- Areas within or near a floodway (management zone A or B) All semi-permanent wetlands located within or near a floodway will be assigned management zone A. For those located near a floodway, a connector will be used to ensure the flow of floodwater from the floodway to the asset is maintained.
- All semi-permanent wetlands located within or near a floodway will be assigned management zone A. For those located near a floodway, a connector will be used to ensure the flow of floodwater from the floodway to the asset is maintained.
- Flood-dependent ecological assets located within the inundation extent but not near a floodway will be assigned management zone B without the use of a connector.
- For some flood-dependent ecological assets, there is a need to apply a special protection management zone. These areas are identified through:
 - a demonstrated history of supporting waterbird, native fish or frog populations, such as a lagoon, or

- a capacity to provide refuge for aquatic life during drought, such as a billabong, or
 - are recognised in local, state or Commonwealth legislation or policy, such as Ramsar wetlands, or
 - a combination of any of the above.
- Connectors are pathways that connect flood-dependent ecological assets and flood-dependent Aboriginal cultural assets to the floodway. They are assigned management zone A to ensure the flow of floodwater from the floodway to the asset is maintained.

Under current proposals, all agricultural land in NSW would require licenses for on farm infrastructure that meets the definition of a Flood Work – even if the region does not flood or is likely to flood.

DCCEEW advice indicates that ‘a whole of state’ approach was taken to incorporate areas that do not have a Floodplain Plan or one in development. This means a blanket catch all approach was taken state wide, instead of departmental process focussing on areas that actually required a specific floodplain plan.

Recommendation:

- A precautionary principle approach poses excessive licensing when unnecessary, involving additional cost burdens to landholders and the relevant NSW departments
- Currently any land outside a FMP is deemed zone B
- Zone B conditions also mean any farm track or road, or other low level infrastructure where dirt has been move modified requires a license and will be subject to height limits. Cost in application fees are currently approximately \$5000 but next pricing determination that is planned to go to \$7000. This does not account for the actual costs to the landholder in preparing for licenses or gaining external expertise to assist them.

ZONING : SPECIAL PROTECTION (SP)

NSW Government has applied additional SP zones as part of the interactive mapping which identify zone A, B, C over private land.

- Supply channels are NOT permitted in SP zones, however the definition of an SP zone is arbitrary and for existing is based on post construction rules.
- In the Murray Valley there are some circumstances where channels are located within what is now showing as SP Zones, which landholders were never notified or previously had to consider. SP zoning needs a pathway for license approvals in the permitted activities
- Applying SP to sections of private property has not been verified independently nor subject to ground truthing to see if an SP zoning is accurate

- Landholders to which this has been applied have not been personally notified or in most cases, had an opportunity to ensure its accuracy.
- It is not clear how or why such conditions have been applied over and above vegetation that is prevalent in an area and is already protected by Native Vegetation laws
- Zone SP provides additional legislative risks to the landholder with no flexibility or consideration to what activities those areas are utilised
- There is no transparency about how SP zoning can be challenged
- SP zoning also has implications with other conditions eg cultural heritage, ecological and environmental.
- SP zoning place further restrictions on private land and potentially put at risk any applications for licensing approvals. Criteria is rigid with little chance of approvals

Recommendation:

- Remove ban on any supply channel in an SP Zone as it is applying retrospective loss of rights that does not recognise existing infrastructure that pre dates proposed new rules
- Enable infrastructure works such as roads, and/or bridges, culverts etc to be in Zone A , B , SP, including through connectivity runners
- In SP Zones, existing channels & roads must allow a pathway for a Flood Works license approvals

ZONE A: Floodway examples only (dark blue- landholder maps)

8.4% of the FMP area

NSW Murray Valley FMP places the highest restrictions on zone A

No new works in Zone A, any approvals would be limited with strict conditions

- MVPD is concerned the plan has some interpretation challenges in relation to permitted works in Zone A
 - Clause 20 of the draft FMP references types of existing floodworks permitted in the floodplain eg, (20 (g) other earthworks and embankments)
 - But in rules attached to the Zones, does not include earth works or embankments anywhere
 - In Clause 37 notes a number of sections outlining permitted activities but makes no mention of earthworks or embankments?

Question?

How can landholders apply for Floodworks approvals where components (eg earthworks/embankments aspects) are not on the permitted list?

All flood works in management zone A and SP will be assessed using **permitted floodworks** while enhancement flood works will also be assessed using the hydraulic assessment criteria. (Report to Assist Public Exhibition Stage 2 Table 1, 2, 3, 4)

- This list is incomplete as it makes no recognition of existing or new pump sites , earthworks or embankments
- MVPD understands the importance of maintaining the floodway, but this is already recognised in the Central Murray Floodplain Management Plan. NSW Murray Valley FMP now will impose harshest of all zoning rules on landholders who have property within Zone A & B.
- Zone A suggests that it applies to actual waterways but DCCEEW mapping indicates that Zone A can be interpreted according to the accuracies or not of the supplied on line mapping tools.
- Across the existing FMP, it has been a common practise, accepted and endorsed through licensing by the NSW Government whereby any gravity fed irrigation that directly sources water from a river or creek, will have infrastructure in Zone A.
- Existing Works Approval Licenses held by landholders are usually within Zone A, with pumps lifting water higher into a gravity designed channel system.

DCCEEW advice post Public Consultation Stage 1 now notes for”For flood works that were constructed in a floodway (management zone A) or within an area that contains a flood-dependent ecological asset that has a special feature (management zone SP) prior to the draft FMP commencing, there are some variations in the proposed types of works permitted and associated rules. If an existing flood work, of the type listed below, cannot comply with the specifications listed in Table 1, a flood work approval may be granted, if it complies with the standard assessment criteria specified in Table 3:

If an existing flood work, of the type listed below, cannot comply with the specifications listed in Table 1, a flood work approval may be granted, if it complies with the standard assessment criteria specified in Table 3:

- access roads (standard and primary)
- stock refuge
- infrastructure protection work
- supply channel (above and below ground).
- The rules for existing works are intended to provide a pathway for the approval of some relatively minor flood works. They are not intended for the retrospective approval of major irrigation infrastructure.

SUPPLY CHANNELS: (Special conditions)

- must be below ground, cannot obstruct flood flows, & enable fish passage
- And any spoil cannot obstruct more than 5% of the width of Management Zone A, measured perpendicular to the flood flow direction at the location of the supply

channel, or Example— If Management Zone A is 100m wide, measured perpendicular to the flood flow direction at the location of the work, the work must not obstruct more than 5m of Management Zone A.

- Borrow pits cannot exceed 15cm in depth

INFRASTRUCTURE PROTECTION WORKS

- Strict conditions or no approvals for infrastructure protection works (Section 41 page 26)
- Limits apply for flood protection enhancement works – eg height conditions
- Does not impact flood-dependent ecological asset is specified in local, state or Commonwealth environmental plans, policy or legislation, including—
 - (i) (ii) (iii) the Basin Plan 2012 of the Commonwealth,
 - the Biodiversity Conservation Act 2016,
 - the Environment Protection and Biodiversity Conservation Act 1999 of the Commonwealth,
 - (iv) the long-term water plan for the Murray surface water resource plan area under the Basin Plan 2012 of the Commonwealth,
 - (v) the National Parks and Wildlife Act 1974,
 - (vi) the Fisheries Management Act 1994,
- Flood works approvals would either not be approved or would be limited. (Page 44)
 - maintain adequate drainage on landholdings that may be affected by the flood work, including adjacent landholdings.
 - Not redistribute the peak flood flow by more **than 5% on adjacent landholdings** and other landholdings that may be affected by the flood work when compared to the peak flood flow under existing development conditions for a range of flood scenarios including, at a minimum, a scenario for the large design flood, or increase flood levels by more than **10cm on adjacent landholdings** and other landholdings that may be affected by the flood work when compared to peak flood levels under the natural flooding regime and existing development conditions for a range of flood scenarios, including at a minimum, a scenario for the large design flood, or
 - **Increase flood peaks onto other landholders by more than 10cm**
 - **increase flow velocity by more than 50% on the landholding, adjacent landholdings** and other landholdings that may be affected by the flood work
 - **[plus other strict conditions)**

ROADS

- Flood works approvals can be applied for the following types of works; Examples only.
 - access road, an infrastructure protection work, a stock refuge,
 - Access Roads can be no higher than the natural surface level except for;
 - **Primary access road maximum permitted 50cm above ground**

- **Secondary access roads maximum permitted is 30cm above ground**
- **A range of other conditions including prescriptions for culverts also apply**
- Causeways are required every 200m at the lowest point, but MVPD calls for recognitions.
- **Borrow pits must be located downstream, no deeper than 15cm**

Recommendations:

MVPD acknowledges the need to ensure free movement of flows in Zone A but rejects no new licenses would be permitted and that conditions/criteria for assessment are not practical;

- **Existing elevated pump sites, earthworks & embankments must be permitted in Zone A to allow existing works to gain approvals (& provision for new pump sites to allow for subdivision of landholding still be used for farming)**
- Licensing of supply channels must recognise gravity fed supply channels & existing pumping arrangements that are typical of the region
- Assessment of 5% flow impacts is unreasonable, many variants influence flows making such assessments impossible with any sense of accuracy
- Zone A mapping information is not of sufficient quality to enable more accurate determinations by the landholder, including intersect of a license levee
- Protection of key assets (eg house or shed) could be compromised under rules
- A blanket ban on any new approvals in Zone A, or potential conditions is not workable, does not account for new applications, property subdivision and/or in the event of a death, splitting of internal property boundaries.
- Zone A must enable retention or new applications for bridges, culverts (not limited to causeways) and roads within Zone A, SP, Zone B, Zone C and any connectivity systems
- Question: how can existing works be approved if not included in DCCEEW permitted works list?

Zone B (Light blue- landholder maps)

24.2% of the FMP area

DCCEEW documents suggests any type of flood work will be permitted in management zones B, C, however a number of conditions proposed are not practical and/or make an applicant unlikely to succeed in the application process.

DCCEEW state that all flood works in management zones B, C and CU will be assessed using the standard assessment criteria.

However **larger flood works in management zone B** and flood works that may cause a significant impact in management zones C and CU will also be assessed using the hydraulic assessment criteria.

Advertising of an application in zone B is also required for the following;

- If infrastructure is 40cm above natural surface of the ground
- Infrastructure protection work if more than 1% of the property
- Other criteria release to stock refuge etc

Zone B applications also must meet conditions relating to ;

- Maintain connection to floodplain systems outside of the floodway network
- Maintain adequate drainage including impacts to neighbours
- Consider cumulative impacts of works & other works on the property to neighbours and other properties
- Cannot redistribute peak flood flows by more than 5%
- Maximum 10cm flood levels
- Not impact high value assets compared to pre development period for a range of flood scenarios
- Maximum velocity impacting neighbours of 50%
- Redistribute maximum of 5% of flood flows at any location or any scenario determined by the Minister

DCCEEW response to Public Consultation phase 1 indicates;

- ✚ *In response to this feedback, a unique, temporary rule set has been included for existing flood works in management **zone B (inundation extent)** in the draft FMP.*
- ✚ *Unapproved flood works located in management zone B that were constructed prior to 7 July 2000 will be required to meet the standard assessment criteria only. It will provide a pathway for the approval of existing flood works constructed prior to 7 July 2000 by simplifying the assessment process and potentially avoiding the cost of preparing a flood study.*
- ✚ *The relevance of 7 July 2000 is the commencement of the Water Amendment (Flood Control Works) Act 1999 which required an approval for works that may affect or prevent flooding.*

MVPD seeks response how existing works in place since 2000, will be treated in the approval process? Does this mean that all existing works that predate the FMP commencement period will require new works approvals and pass new FMP criteria

MVPD seeks clarification on how existing licensed infrastructure in Zone B will be treated if a renewal is required within the 10 year timeframe of the new FMP and/or any renewal falling due immediately post this period?

- DCCEEW wording suggests that larger flood works (which could be assumed to be licensed levees within the existing Central Murray Floodplain Plan may require a full hydraulic assessment?
- Will an applicant be assessed under the standard application or be subject to new conditions and/or a hydraulic study?

MVPD is concerned that the following will or is likely to apply to applicants

- Flood works applications that require advertising must meet both standard and hydraulic assessment criteria.
- Applications will be required to meet;
 1. Standard Criteria:
 - a. Application fee; \$5000 (next IPART approx. \$7000+)
 - b. Approx cost \$20,000 + Consultancies
 2. Hydraulic criteria;
 - a. landholders will have to seek a specialist hydraulic consultant to ensure criteria imposed by the FMP can be verified and conditions met
 - b. Application fee; **\$5000 (next IPART approx. \$7000+)**
 - c. Consultancy could range **\$20,000 to \$60,000**

MVPD does not consider there are sufficient consultants with the expertise to meet the requirements of DCCEEW as proposed in the FMP

MVPD does not support restrictions height restrictions proposed nor advertising as a mandatory condition for license applications for:

1. Anything greater than 40cm
2. Stock refuges larger than 10hectares or 5% of a property
3. Infrastructure protection works are larger than 1% of property

MVPD encourages recognition by the NSW Government that most existing irrigation infrastructure will have aspect above 40cm in height, this could include delivery channel banks, irrigation recycle systems

- Current proposals in the FMP indicate that requirements for irrigation infrastructure on farm to be licensed flood works, is unworkable
- NSW Government has not identified how irrigation would continue in the Murray Valley if such onerous conditions were applied in a compulsory licensing situation
- Applications would require considerations of;
 - Cultural Heritage,
 - Disturbance to environmental consideration,
 - or increase velocity on neighbours by more than 50%

- Flood works must not;
 - redistribute the peak flood flow by more than 5% at a peak discharge calculation location shown on the Peak Flood Flow Distribution (2022) Map, when compared to redistribution under existing development conditions, or
 - Subdivision 2 59 redistribute the peak flood flow by more than 5% at a location and under any other flood scenario the Minister considers relevant.

Recommendation:

- DCCEEW needs to provide transparent and complete information to all landholders in writing prior to finalisation of the Plan.
- Community Consultation has not been adequate for engagement and/or opportunities to discuss impacts prior to new rules as outlined in NSW Murray Valley FMP being enacted
- Proposed rules for licensing are not practical to administer or to implement (flood flows are determined by a range of external factors) criteria that requires specific conditions to be met such as 5%, or 10% or measuring 50% or velocity etc are not feasible
- Existing license holders have no certainty on their licensed levees and what will the future be for the existing Central Murray Floodplain Plan levee system.
- NSW Government needs to advise communities how they will manage risks if existing licenses are revoked when the Central Murray Floodplain Plan is repealed & new conditions & plan protection zones are applied?
- License holders need clear understanding prior to commencement of this proposed FMP, if their existing licenses will be renewed or will be subject to new mandatory licensing conditions?
- NSW Government needs to advise landholders how regional flood risks will be managed if DCCEEW & WATER NSW licensing process significantly changes floodplain protection plans that they have licensed and landholders have self funded?
- Who will be responsible for 3rd party impacts if DCCEEW impose new conditions that make existing license levees null and void, ineffective or reduced to levels where flood protection is no longer possible?
- Revise Zone B conditions to make practical and cost effective. Current proposals mean delays, circular confusion and lengthy delays (inter agencies, landholder, consultants)
- All irrigation works associated with a licensed Works Access Approval (WAL) be automatically exempt from requirements for Flood Works License, unless within a designated floodway. Any irrigation infrastructure within the inundation extent Zone B, should be recognised for its historical status & grandfathered provisions are applied.
- MVPD recommends that all **pre- existing works from 7th July 2000 and to the period prior to commencement of the Plan, have grandfathering provisions**

and are assessed as per pre 2000 date and are recognised in licensing to allow orderly implementation of the NSW Murray Valley FMP (unless there is clear obstructions of flood flow or unlicensed works have been notified)

- Advertising; there should be no requirements to advertise key asset infrastructure protection works, or stock refuges
- The Plan is revised, it is overly prescriptive examples include 15cm restriction on borrow pits

RULES IN ZONE C (examples only) yellow - landholder maps)

55.4 % of the FMP area

It is inaccurate to describe or include the term flood fringe (not in floodway or inundation extent)

No Flood Works approval should be required for anything in Zone C as it is outside inundation and/or flood extent.

Recommendations

- Zone C should not require any flood works approvals, as it is not in the floodway or inundation extent
- The description of the term “flood fringe” should be deleted as it makes no sense and is not reflected in what local communities recognise as valid description in Zone C

ZONE CU - AREAS GOVERNMENT AREAS /TOWNS

- It is not reasonable to apply rigid rules such as those posed in the draft NSW Murray Valley FMP if major components of the landscape have completely separate and at times opposite rules and criteria for managing environmental or flood flows
- A private farm track or access road may have severe rules that limit heights to 30cm or 40cm with specifications for culverts place every 200m
- Shire Council roads and/or NSW or Federal Government funded major roads or rail lines can effectively block the floodplain

Recommendation:

- NSW Government ensures equity in design and encompasses a whole of landscape plan that avoids one set of rules applied to landholders being made irrelevant by Government roads/or rail lines that may dissect the floodway

NRAR;

- Inadequate planning for designing and implementing a flood plan that replaces the existing Central Murray FMP exposes potentially thousands of landholders to legal implications with NRAR
- There is no feasible scenario when a new plan can be effectively implemented within 3 years, let alone 10 years.
- Circumstances where NRAR seeks to impose penalties on landholders for unapproved works, is open to be legally challenged

Recommendation:

- NSW Government to provide explanation to landholders how NRAR will address this situation of unauthorised works when Government and landholders can't physically address the requirements of the plan within the designated timeframe

DECOMMISSIONING OF EXISTING WORKS IN THE CENTRAL MURRAY FLOODPLAIN PLAN BOUNDARIES

- DCCEEW criteria for licensing under the proposed NSW Murray Valley FMP is likely to undermine the integrity of the Central Murray Floodplain Plan
- Landholders entering the licensing process, including retrospective recognition of existing licenses, or renewal of existing licenses upon their term expiry date, face a complexities that are unlikely to see many licenses renewed under new criteria.
- NSW Government has no plans or explanations how removal of existing licenses will be managed to avoid 3rd party impacts.
 - Existing flood levees are privately funded but were guided under the Government Central Murray Floodplain Plan
 - Removal of part of all of these levees opens avenues for flooding in different areas or on private property previously protected by group scheme levees

Recommendation:

- Prior to finalising the NSW Murray Valley FMP these issues are resolved
- A more flexible and practical approach to licensing is progressed

SOCIAL AND ECONOMIC CONSIDERATIONS & ELEVATED FLOODING RISKS

The proposed NSW Murray Valley Floodplain plan has been developed purely to meet Government environmental policies. No provision has been included that recognises and respects the people who are affected by the plan.

The Plan makes specific reference to the Murray Darling Basin Plan and environmental watering plans.

The Plan is silent on any reference to how the NSW Government intends to manage flood risk avoidance in its acceptance of the Basin Plan in its current form, the implementation of the Constraints Management Strategy and pre filling Barmah Millewa or Perricoota /Koondrook Forests on a more regular basis. Once pre filled and with no flood avoidance policies to take to BOC or MINCO, the NSW Government is deliberately supporting increased flooding risks to the Murray Valley.

DCCEEW report on public exhibition section 5.6 also describes benefits from flooding purely from an environmental perspective. However there is no mention that overbank and major flooding favours introduce fish such as European Carp, but does not favour native fish.




Part 5.8 of the Plan refers to risks of flooding but a the key cause of elevated risks for flooding in the region is compromised because the Flood

There is no mention in the plan about consequences of adverse flooding on private property or the people that live within the Murray Valley.

ECOLOGICAL ASSET MAPS & LAYERS OF EXTERNAL INFORMATION

- The draft FMP maps have included other non -related Government mapping or data systems as part of zoning classification and potential related links to approvals

MVDP is aware that some landholders maps show areas of overlays (eg Ecological communities) & others don't. This includes 3 categories

-  blue is "flood dependent semi- permanent non woody wetlands
-  green "other flood dependent ecosystems
-  grey " other floodplain ecosystems

Note: there is no explanation on what they or opportunity for landholders to verify

- The Ecological Asset Map is now automatically applied, and has potential implications through criteria for licensing of Flood Works. This is a further erosion of property rights with no provisions to verify accuracy or to give opportunities for landholders to engage in why parts of their properties are re-zoned to make reference for ecological assets.

Recommendation:

- The FMP removes any reference to automatic ecological overlay mapping
- Any proposal for future inclusive is subject to on ground verification or an accuracy test by an independent landholder authorised person

AMENDMENT PROVISIONS/MANDATORY CONDITIONS

"Once commenced, the draft FMP may be amended at any time if it is in the public's best interest"

- Amendment to the FMP require joint approval from the Minister for Water and concurrence from the Minister for the Environment
- Landholders entering an expensive and complex licensing system should not face risks that plan conditions can change at any time (including for Climate Change policies).
 - Climate Change projects to warrant changes to the Plan within a 3 or 10 year or 20 years or longer period are not sufficiently robust, continuous risks of political changes to the Plan undermine agriculture’s capacity to invest and function in the Murray Valley
 - BOM forecasts also do not have the levels of accuracy to forecast rain events outside of 3 to 5 days.
 - Declarations of La Nina and El Nino cycles continue to evolve

Recommendation:

- Minister should not be able to alter floodworks approval conditions at any time to meet political or additional environmental objectives, including modelled predictions for Climate Change
- NSW Government must confirm JUST TERMS compensation provisions apply and incorporated into the Plan
- NSW Government must enable approvals in perpetuity to provide certainty to landholders in their property and business management

MONITORING & REPORTING 5.2

- Section 5.2 refers to objectives to minimises risks to life and property
- Within the first 5 years of the 10-year term of the draft FMP, the Natural Resources Commission will undertake an audit to determine whether the provisions are being given effect to. This includes the objectives, strategies and performance indicators
- To demonstrate whether the objectives of the draft FMP are being achieved, the department will undertake monitoring, evaluation and reporting which will assess key performance indicators. The monitoring and evaluation will use multiple lines of evidence. It will involve assessment of all new flood works and will include:
 - Hydraulic assessment with updated hydraulic models to examine any predicted changes to flooding behaviour and if there are any potential impacts to other property, ecological and cultural assets.
 - Hydrological and spatial assessment of flood events that occurred in the 10-year term of the draft FMP to determine if there are any major obstructions or changes to inundation extent and compare/validate hydraulic modelling where applicable.
 - Use of modelling and flood data to assess floodway network connectivity, the passage of floodwater in the floodplain, and connectivity to ecological and cultural assets. — Identification of any changes to the management

zones or rules that could further facilitate the draft FMP in meeting its key objectives.

Recommendations/Comments:

- The NSW Murray Valley FMP requires the inclusion of objectives for social, economic and environmental values to equally valued
- Section 5.2 refers to using modelling and flood data to assess floodway network to measure against environmental values only.
- The FMP objectives have no inclusions for social and economic values

WATER QUALITY 5.1

The draft FMP sets the following objective in relation to the preservation and enhancement of water quality: contribute to the protection of water quality within the floodplain to support flood dependent ecosystems and social, cultural and economic values.

The first strategy designed to achieve this objective is the establishment of rules and assessment criteria for flood work approvals that ensure flow velocity is minimised in the floodplain. This prevents erosion and consequential impacts on water quality.

Recommendation:

- NSW Government has agreed & accept funding to implement Basin Plan objectives ‘end of system flow’ targets for South Australia, primarily using the Murray River – this was a deliberate political strategy to protect other rivers in NSW from meeting ‘end of system’ Basin Plan flow obligations
- MVPD request NSW Government provide written explanation why and under what circumstances would flood works licence conditions be amended in future to alter areas protected under the proposed NSW Murray Valley FMP to meet water quality targets deemed through measuring velocity impacts
- MVPD seeks NSW Government acceptance that no landholder should be penalised further with floodplain plan rule changes to meet water quality objectives, when they have no capacity to manage external risks.
- The Federal and State Governments have agreed to the following;
 - To amend Murray River regulated operational conditions to allow water to exceed natural bank capacities on a regular basis bringing nutrients/debris into river systems
 - To implement over bank flows on a regular basis once Constraints Management Strategy is implemented – increasing nutrients/debris into river systems
 - To increase velocities through focussing Murray Darling Basin Plan buyback of water in the Southern Basin, with particular emphasis on increasing flows in the Murray River