

Peel Valley Water Users Association Inc

The only organisation that represents the Irrigation Industry in the Peel Valley

██████████ Tamworth NSW 2340

Submission to the Natural Resources Commission

on the Review of the

Peel Valley Regulated, Unregulated, Alluvial and Fractured Rock

Water Sharing Plan

October 2019

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Peel Valley Water Users Association

The association is a non-aligned entity representing the interests of about 400 irrigation licence holders in the Peel Valley.

Aim

This submission highlights a number of issues that should be resolved before the finalisation of the Water Sharing Plan for this Valley.

Introduction

The Peel Valley is a comparatively small valley within Tamworth Regional Council local government area. Production includes but is not limited to irrigated lucerne hay, dairy, and irrigated fodder for livestock and the increasing demands of an equine industry bolstered by the relatively recent construction of a \$60 million Australian Equine and Livestock Events Centre.

Chaffey Dam regulates the supply of water in the Peel River. The dam has now has a capacity of 102 GL after a 2016 upgrade from 62GL.

The Association has extensive data, statistics and stakeholder expertise in support of this submission. The department is strongly encouraged to seek access to that additional information.

Excessive influence of current, extraordinary conditions

At the time of preparing this submission, the current drought in this region has been described as being the worst on record. The department must ensure that current conditions do not lead to a plan that fails to service the more favourable 10-year production conditions for which the Valley is renowned.

Primary Recommendations

The water sharing plan should not be finalised until these recommendations are addressed:

1. Establish a valley-specific advisory group.
This group would comprise members of this association, other stakeholders as self-identified and departmental staff with relevant local knowledge.
2. Clearly isolate current adverse production conditions from the planning review process.
There will be temptation for interest groups to apply current extraordinary conditions to long term planning as the regional norm.
3. Review the General Security Surface Water Long Term Annual Average Extraction Limit.
4. Review the Peel River Environmental Contingency Allowance of 5000 ML.
Examine the data that justifies the quantum of this allowance.
5. Ensure any new plan provides clear administrative parameters that lead to water user security.
The current Plan is open to loose interpretation leading to inconsistent administrative decision making which deprives members of this association and other water users with the year to year security to operate their enterprises with surety.
6. Establish a specific volume of water in Chaffey Dam for the exclusive use of Tamworth Regional Council.
7. Establish transparent rules that clarify the role and authority of Tamworth Regional Council with specific regard to Council's access to water from Chaffey Dam.
8. Reinstate intervalley temporary trading of General Security Surface Water between the Peel and Namoi valleys.
9. Review the combined extraction limit modelling for the Namoi/Peel Valleys.
10. Introduce carryover facilities for fractured rock water sources.
11. Commission an extensive scientific examination of the actual level of connectivity between Peel Alluvial Groundwater and surface water in the Peel Valley. This work would determine fact from fiction and help to heal a schism that has developed between the Tamworth urban community and regional producers who underpin the local economy.
12. The Association supports the submission of the Cockburn Valley Water Users Association as part of the review of the Peel Water Sharing Plan.
13. Delay the review of the Peel Water Sharing Plan until the share of costs of construction and the ownership of and access to the water stored in the new Dungowan Dam announced on 13th October 2019 are made public. Alternatively, fully review the Peel Water Sharing Plan again as soon as all of the relevant information has been released to all stakeholders.

Recommendations and supporting arguments

1. Establish a valley-specific advisory group.

Supporting argument

- The inaugural Peel Water Sharing Plan came into effect in 2010 after minimal consultation with stakeholders.
- A failure to appropriately interrogate the Department's Integrated Quantity-Quality Modelling led to a dramatic reduction in the extraction limit for irrigated agriculture. *If a revised plan is to be respected for its integrity it must have been created with the benefit from the genuine contributions of those whose anecdotal, lived, operational and environmental knowledge of the valley is without peer.*

2. Clearly isolate current adverse production conditions from the planning review process.

Supporting argument

- The current extraordinary conditions should help to provide operational trigger points that will provide equity, surety and security to all users
- The advisory group should create formal check-steps to ensure that the revised plan services average, not worst-case production conditions

3. Review the General Security Surface Water Long-Term Annual Average Extraction Limit.

Supporting argument

- The annual extraction limit for Regulated Licence Holders in the Peel Valley is 6.1 GL from a total entitlement of 31GL thus Licence Holders are restricted to a mere 20 percent of their entitlement each year.
- The current limit was created from IQQ modelling that generated results inconsistent with other valleys and lived experience. The Association has been advised that IQQ modelling has been subsequently discredited as unreliable.
- A full review of the Peel Valley Long-Term extraction limit will relieve the disadvantage imposed on local stakeholders for the last decade.
- For a more detailed synopsis of the LTAAEL is provided on an earlier Association submission accessible [here](#)

4. Review the Peel River Environmental Contingency Allowance of 5000 ML.

Supporting argument

- The Peel Valley Water Sharing Plan is one of the few that includes an annual Environmental Contingency Allowance. The ECA was raised from 1,600ML to 5000ML after the augmentation of Chaffey Dam in 2016.
- Under normal circumstances, the entire length of the Peel River is wet from Chaffey Dam releases and as a result, the river is environmentally healthy.
- Peel River users and Council extract less than 5% of the long-term average annual end of stream flow out of the Peel River. This leaves 95% for the environment, therefore negating the need for such a large Environmental Contingency Allowance. No other river in the NSW portion of the Murray Darling Basin contributes as much end of stream flow to the environment.
- In addition to the ECA the Commonwealth Environmental Water Holder has acquired a further 1,257ML in the Peel Valley, bringing the annual total of environmental water to 6,257ML, compared to the extraction limit for irrigators of 6,100ML annually. There is a clear imbalance between the environmental and productive water volumes.
- Adding to stakeholder frustration is a belief that e-water is released regardless of the need or justification. In recent years there appear to have been several end of season e-water releases simply because it is available. And if it is not used in a 12-month period it cannot be carried over to the next water year.
- The calculations, justification and adverse environmental outcomes of excessive annual e-water stocks of 6,257ML should be made available to stakeholders if the new plan is to enjoy widespread ongoing support.
- One area of significant angst is a situation where ECA in the Peel Valley only retains that characteristic whilst it remains in the Peel River. Once the ECA flows into the Namoi it is no longer treated as environmental water, and instead is available for extraction by Namoi Valley water users. Environmental water is just that; it cannot be one thing for 50 kilometers of river and then allowed to transform into productive water which favours one valley's operations over another. It is exactly this type of inequity which has divided the industry and set valley against valley.

5. Ensure the new plan furnishes administrators with transparent, unambiguous operational protocols and rules that provide water users with surety and security.

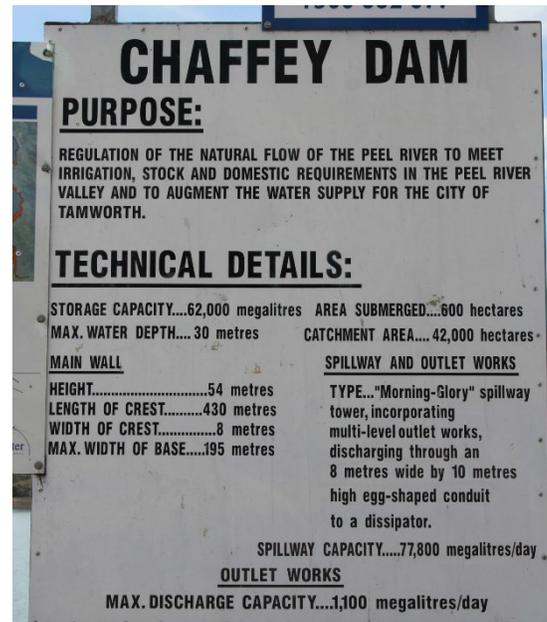
Supporting argument

- The current start of season rules for the Peel Valley’s Available Water Determination are loose and subject to differing interpretation by administrators. This practice does not provide stakeholders with surety and security. For example, after an initial eight years applying rules and protocols one way, in 2018 a new administrator announced his decision to interpret the rules differently dropping an anticipated 54 percent allocation to 38 percent. “Previous interpretations were incorrect,” he insisted. This approach indicates a dispassionate disregard for the commercial realities of agriculture in the context of the value and production potential of water.
- The new Water Sharing Plan must be drafted in a way that provides surety and security and removes any scope for punitive interpretation.

6. Establish a set volume of water in Chaffey Dam for the exclusive use of Tamworth Regional Council.

Supporting argument

- The current Water Sharing Plan describes the volumes of water available to licence holders such as Tamworth Regional Council, the irrigation industry, and the environment.
- In 2018, Tamworth Regional Council requested the (then) Minister for Water amend the Water Sharing Plan so that a greater proportion of water be stored in Chaffey Dam for council use.
- If successful however, the effect of the proposed amendment would have been a reduced entitlement from 38 percent to six percent. Such a reduction would lead to unsustainable agriculture enterprises and a severe loss of flow-on income to the region.
- Although the Minister denied the application any new plan should remove the potential for any stakeholder to cannibalise the volume of another. *Water has organic and production values that must be respected.*



7. Establish transparent rules that clarify the role and authority of Tamworth Regional Council with specific regard to Council’s access to water from Chaffey Dam.

Supporting argument

- The new water sharing plan must ensure that the control of Chaffey Dam continues to be vested in WaterNSW and not subject to the undue influence of Tamworth Regional Council.

Background:

- Chaffey Dam was principally constructed for the benefit of the irrigation industry, and to augment the water supply for the City of Tamworth which contributed about five percent of the dam's construction costs.
- Since its construction, Chaffey Dam has been the lifeblood of the region's irrigated agriculture industry.
- History demonstrates that TRC's water management decision making has in some instances been ad hoc, in what is a complex and specialist area.
- Council has long term plans to increase the city's population to 100,000 and to introduce water-intense industries to the region. In the absence of other plans Council will increasingly cannibalise volumes of water earmarked for irrigated agriculture by relying on volumes from Chaffey Dam to underpin its aspirations.
- A more detailed synopsis of the role of Tamworth Regional Council in water issues is provided [here](#) and [here](#).
- Please also see Recommendation 13, which relates to the announcement which was made on 13th October 2019 regarding the construction of a new dam at Dungowan at a cost of \$480 million. No information is currently available regarding the entitlements to water in this new dam, but regardless of who has access to water in the new dam, it will have an impact on access to water from Chaffey Dam for all stakeholders, including Tamworth Regional Council.

8. Reinstate intervalley temporary trading of General Security Surface Water between the Peel and Namoi valleys.

Supporting argument

- In September 2014, the (then) Minister for Water introduced temporary trading of water from the Peel to Namoi Valley; no water was traded for several years because of unfavourable conditions.
- In 2017 a relatively small volume of water was traded from the Peel Valley to the Namoi Valley until the facility was removed from the Peel Water Sharing Plan. The reasons for the amendment which removed temporary trading have never been verified.
- Temporary Water Trading is a market mechanism which under the right conditions improves the efficient use of water. Indeed, the Productivity Commission's 2017 report on national water reform found trading benefitted the community "by allowing water to move to higher value uses, creating incentives for water to be used more efficiently and enabling irrigators (and other water users) to better manage drought and other risks". The Commission said that trading was one of the "major successes" of national water reform, making the irrigation sector "more prosperous and resilient"¹.
- The provision for temporary trading of water from the Peel Valley to the Namoi Valley should be re-instated as part of this review

9. Review the combined extraction limit modelling for the Namoi/Peel Valleys.

Supporting argument

- The original Peel Water Sharing Plan rejected a proposal to create a single extraction limit for the entire Namoi/Peel river system.
- In the intervening years, the Murray Darling Basin Authority treats the Namoi/Peel as one valley for regulated surface water, and also for the purposes of the Water Resources Plan; there is therefore merit in examining the advantages and disadvantages of combining the two valleys for the purpose of setting one combined extraction limit.
- A more detailed synopsis of the effect of a combined Namoi/Peel extraction limit is available [here](#)

¹ *The Australian*, September 2019

10. Introduce carryover facilities for fractured rock water sources.

Supporting argument

- Unlike some other water sharing plans, the current plan does not permit carry over of water from fractured rock sources.
- The water take from the fractured rock water source is significantly below the total entitlement for that water source, irrigators with fractured rock entitlements are seeking a change to the Plan, such that 'available water determinations combined with the carryover will enable license holders to use up to twice their water allocation in a year provided that over a consecutive three-year period they do not exceed the sum of their water allocations for those three years.'

11. Commission an extensive scientific examination of the actual level of connectivity between Peel Alluvial Groundwater and surface water in the Peel Valley.

Supporting argument

- The existing Peel Water Sharing Plan includes an assumption of the extent to which the valley's alluvial groundwater is connected to the surface water source. No formal studies have been undertaken to confirm this connection.
- It is essential that the level of connectivity is examined, because:
 - It is a source of considerable community angst
 - There is clear evidence that several licence holders have alluvial groundwater that is definitely not linked to the surface water source
 - Several groundwater users claim that their well site is higher than the river level
 - The level of connectivity or lack thereof appears to be based on hearsay, not scientific evidence
- The existing rules that are based on the assumed level of connectivity need to be re-evaluated.

12. Issues in the Cockburn Valley tributary must be addressed as part of the review of the Peel Water Sharing Plan.

Supporting argument

- Any review of the Peel Water Sharing Plan should be done in concert with issues that exist in the Cockburn Valley, which is a tributary of the Peel River system.
- A separate submission has been lodged by the Cockburn Valley Water Users Association, and a copy of that submission [here](#).
- The submission clearly indicates that there are serious issues in the Cockburn Valley that require urgent examination as part of the review of the Peel Water Sharing Plan.

13. Delay the review of the Peel Water Sharing Plan until the rules relating to access to the water in the new Dungowan Dam announced on 13th October 2019 are made public. Alternatively, fully review the Peel Water Sharing Plan again as soon as all of the relevant information has been released to all stakeholders.

Supporting argument

- No details have been released yet about the entitlement to water in the new \$480 million dam, any potential impact on Council's current entitlement from Chaffey Dam, the environmental watering requirements after completion of the dam, the costs of water supplied to Council and other stakeholders, etc
- It is inappropriate to review the existing Peel Water Sharing Plan while this data remains out of the public domain
- Therefore, the two alternatives are:
 - (a) Delay the review of the Peel Water Sharing Plan until all of the relevant information is made public, or
 - (b) Fully review the Peel Water Sharing Plan again, as soon as all of the relevant information has been released to all stakeholders

Conclusion

- The Peel Valley Water Sharing Plan is key to the survival of irrigated agriculture in this district. The industry employs hundreds of people directly and indirectly, and injects substantial revenue into the local economy.
- The future development of Tamworth Airport as a regional international freight hub will generate new opportunities including but not limited to the large-scale production of vegetables for markets in Asia and counter-seasonal opportunities in food markets in Europe and the Americas.

1 - Submission lodged by Laurie Pengelly on the LTAAEL.

The Regulated Peel's Long Term Average Annual Extraction Limit (LTAAEL) is unacceptable by any measure.

If this review of the Peel's Water Sharing Plan does nothing else, it is essential for the survival of the Regulated Water Users in the Peel Valley that the Peels LTAAEL is increased to bring it into parity with all of the other Regulated Valleys in the NSW portion of the Murray Darling Basin.

LTAAEL's were established to try to achieve the right balance between the Environment and socio economic outcomes associated with water extraction.

This was achieved in the other regulated valleys via extensive consultation through River Management Committees consisting of government agencies (Water NSW, Fisheries, EPA) Catchment Management, Local Government, Aboriginal representation, Regional Development, local and peak environmental groups and irrigation water users associations. These management committees met for day long meetings over 3 years around 2000 - 2003 with the Namoi Regulated Management Committee having 43 of these meetings. All aspects of River Management were dealt with in detail.

What happened in the Peel? An inexperienced inter-agency Panel consisting of three agencies, Water NSW, NSW Primary Industry and the EPA with the Catchment Management being present as an observer, determined the Peel WSP in great haste, little consultation and investigation in order for NSW Government to meet the deadline to access funding from the Federal Government.

The result of this unreasonable and inadequate process is the current Peel's WSP with all of its issues which need to be addressed in the same way that all other Water Sharing Plans were developed. The current rushed process being put forward by the Natural Resources Commission is totally unsatisfactory to the Peel Valleys community. But given that it is highly likely that the government bureaucrats are no doubt going to do the three monkeys trick with hands over their eyes, ears and mouths, I put forward the following Facts about the Peels Regulated LTAAEL. For you to address in this review in the hope that the review panel will read, listen and effectively communicate to the Peel Valley Community during the review of the Peel's Water Sharing Plan.

The Peel's LTAAEL is 15.1 GL with 9.0 GL attributed to town water use and 6.1 GL attributed to all other water users out of a total entitlement of some 48 GL which equates to 32% of total entitlement and only a 20% long term average use of General Security Entitlement. This is a disaster waiting to happen and if this is what the NSW Government want it should buy out the surplus General Security Entitlement at commercial rates

No other Regulated valley in the NSW Murray Darling Basin has an extraction limit to entitlement ratio anywhere near as low as the Peel as shown below.

TABLE 1 LTAAEL as a function of entitlement

| | |
|--------------|------------|
| Namoi | 90% |
| Murray | 81% |
| Gwydir | 73% |
| Murrumbidgee | 71% |
| Macquarie | 58% |
| Lachlan | 45% |
| Peel | 32% |

Why is it that the Namoi which is the same Murray Darling Basin Valley as the Peel has a LTAAEL of 90% of entitlement compared to the Peel at 32%? The LTAAEL within a Murray Darling Basin Valley should be constant not varying along the length of the Valley. If the Peel and Namoi were combined into a single extraction limit for the entire Namoi MDBA valley it would equate to an 81% access to entitlement for both the Peel and Namoi Water User groups. This would result in an LTAAEL in the regulated Peel WSP of 39 GL a much more viable number for the Peel Valley with no adverse environment or socio economic effects as demonstrated below

TABLE 2 Long Term Rolling Average as a function of LTAAEL

| | |
|------------------|------------|
| Lachlan | 66% |
| Macquarie | 66% |
| Namoi | 69% |
| Gwydir | 67% |
| Murray | 82% |
| Murrumbidgee | 91% |
| Peel | 105% |

Note 1. With a ratio of 66 - 69% a breach of the extraction limit is not possible hence there is no socio economic impact of reducing the Namoi's LTAAEL to accommodate the Peel.

Note 2. The Peel's long term average use 11491 ML ex Chaffey dam and 4300 ML from Dungowan = 15791 ML

This is a remarkable result. All of the Northern Valleys (except the Peel) - Lachlan, Macquarie, Namoi and Gwydir have effectively the same long term average use to extraction ratio of 66% - 69%. Anyone could be forgiven for thinking that the IQQM had been programmed to achieve this result. The higher ratios for the Murray and Murrumbidgee are no doubt a direct result of the better water security resulting from more reliable run off from the snow fields.

Why did the Peel miss out? Because the Peel's WSP was done 7 years after all of the other Regulated WSP were gazetted and different bureaucrats with different philosophies, attitudes and, methodology determined the Peel's LTAAEL under great duress to ensure that NSW did not miss out on the Federal Governments Funds. Note following the gazettal of the Water Sharing Plans in 2004, all of the Regional directors who worked so hard to convince the community that WSP's were the way to go were made redundant (speared) and the Mega - department of DLWC / DIPNAR disaggregated into the low morale, fragmented and disengaged shamozal that exists in the water bureaucracy that is in place today in NSW.

The Peels LTAAEL should be at least the same ratio as all of the other Northern valleys ie 68% or an LTAAEL of 23 GL

Note 1 The current Peel LTAAEL at 15.1 GL represents 0.275% - **that's right a miserable 0.275%** of the combined 5,548,885 ML LTAAEL of NSW Murray Darling Basin Valleys.

The Regulated Peel could have an LTAAEL of 48 GL equivalent to 100% of its entitlement without any measurable impact on the MDB extraction limits. As this at less than 1% impact is well within the accuracy of even the new fangled water meters let alone the ordinary metering which was used to calculate the current LTAAEL's with numerous unlucky carp stuck in the Dethridge wheels.

So there is no doubt that the Regulated Peel's LTAAEL should as a matter of urgency be combined into the Namoi Water source or increased to 23 GL to bring it in line with the extraction limits of all the other Northern Valleys.

Footnote

The Peel Water Source was to have been included in the Regulated Namoi Water Sharing Plan but about 8 months into the process the committee was notified by the DLWC that it did not have the resources to dedicate to the Peel because of the high work load associated with all of the other WSP's that the department had to deal with at the time. A decision, as it turned out to be, a disaster for the Peel!!!

Laurie Pengelly



Peel Valley Water Users Association Inc

The only organisation that represents the Irrigation Industry in the Peel Valley

Tamworth NSW 2340

Councillor Col Murray
Mayor,
Tamworth Regional Council
[REDACTED]
Tamworth NSW 2340

23 November 2018

(by electronic mail to all recipients)

Dear Councillor Murray

Re: Your letter to Minister Niall Blair dated 6th August 2018, Ref: BL/SF514

We are writing to you to correct the record on several inaccuracies that are contained in the above letter - which was included as annexure 1 to Item 8.4 in the Business Papers for the Ordinary Council Meeting, held on 13th November 2018. We also wish to offer some suggestions for a more constructive relationship between the Council and the irrigation industry in future.

1 The letter again quotes an old mistruth

On Page 3, your letter states - '4 main beneficiaries for the augmentation were identified by the Subcommittee; namely...Peel Valley irrigators....The preferred funding option was as follows;....Peel Valley Irrigators \$0.876 Million....The funding option identified by the Subcommittee was the option eventually adopted for funding the augmentation, however the irrigators where (sic) unable to fund the money allocated to them and Council, fearing the augmentation would not proceed, agreed to fund the shortfall as well as its contribution'.

These are simply not the facts. We have previously pointed this out to you in the attached letters on several occasions going back to October 2015. One of those letters which was addressed to you had an attachment dated November 2010 outlining the Peel irrigators reasons for not contributing to the funding of the upgrade, which was addressed to the then Minister for Water, Phillip Costa (copy also attached).

Once again for the record, the facts are:

- (a) Peel irrigators never agreed to fund any portion of the upgrade – because the irrigators would not be able to access any additional water after the dam was upgraded. The real beneficiary of the upgrade was Tamworth Regional Council
- (b) There was never any agreement entered into by Peel Valley irrigators to contribute any funds to the upgrade, either verbally or in writing– because the irrigators would not be able to access any additional water after the dam was upgraded. There was never any formal written request made to the Peel irrigators to contribute to the cost of the upgrade – from Council, or from either the State or Commonwealth Government. There was however, an informal recommendation on contributions put forward, but it was it never agreed to by Peel irrigators, either verbally or in writing.

- (c) It is not the case that *'the irrigators where (sic) unable to fund the money allocated to them'* – the fact is that Peel irrigators never agreed to fund any portion of the upgrade.

We once again request that in future, you refrain from repeating known mistruths in regard to this matter. We do not know on how many other occasions this mistruth has been quoted – the only reason that we are aware on this occasion is that your letter has now become a public document.

2 It is inappropriate to selectively quote figures which distort the real facts

On page 3 of your letter, the following statement is made, (quoted verbatim):

'Given the most recent modelling of the augmented Chaffey Dam indicates General Security reliability of an 89% chance of received a 100% allocation at 1 January each year, the level of improvement in reliability enjoyed by irrigators, and paid for by Council, is substantial and Council believes a 10% reduction in this vastly improved reliability can be justified, when considered against the improvements to the reliability of the Tamworth supply and where general security reliability was heading without the augmentation'.

This statement is simply not supported by the facts.

For example, when the storage level of the enlarged Chaffey Dam is at 60GL, it is roughly equivalent to 100% of the capacity of the old Dam prior to enlargement (62GL). Prior to enlargement, when the Dam was at 60GL capacity, irrigators would have received an AWD of 100% of their general security entitlement. However, this year, with Chaffey Dam at 60GL capacity, irrigators were granted an AWD of 36% (after a revision from initially 29%). But if Council's proposal to change the Peel Water Sharing Plan had been approved by the Minister, irrigators would have received an AWD of just 6%, according to the recent departmental figures.

Following the upgrade, there is no *'vastly improved reliability'* for irrigators, there is no *'level of improvement in reliability enjoyed by irrigators'*, and *'where general security reliability was heading without the augmentation'* has certainly not been improved for general security irrigators since the augmentation.

In fact, general security reliability has significantly deteriorated following the augmentation. It clearly vindicates the position of the irrigators that they never agreed to contribute towards the cost of the upgrade, because it has now been confirmed that they are not able to access any additional water after the dam was upgraded – in reality, irrigators have access to significantly less water following the upgrade.

Clearly, no irrigation industry in any valley can be sustainable with a 6% AWD – at a time when the storage is at 60% of capacity.

3 The statement about Council's contribution to the cost of construction is inaccurate

On page 2 of your letter, the following statement is made:

'Council contributed ¼ of the cost of Chaffey Dam construction (State Govt provided ½ of Council's contribution'.

Council's financial contribution to the construction of Chaffey Dam was \$2.88 million, of which \$1.44 million was a subsidy from the Pool Fund of the Minister for Public Works. The estimated cost of the Dam was \$14.4 million; however, construction actually cost \$31 million.

Therefore, Council's contribution from ratepayer funds represents less than 5% of the cost of Chaffey Dam, (nothing like '*¼ of the cost of Chaffey Dam Construction*').

That fact demolishes Council's argument that the Council should be entitled to a greater proportion of water based on its supposed 'substantial' financial contribution to the cost of constructing the Dam.

4 Was Council's decision to proceed with the proposed change appropriate?

Council was not properly informed about the impact of their proposed change to the Peel Water Sharing Plan on the irrigation industry in the Peel Valley when Council unanimously voted to support the proposed change to the Peel Water Sharing Plan at the Ordinary Meeting on 24th July 2018, because at that time Council did not possess the necessary information about the impact on the irrigation industry before the Council voted to proceed with the proposal.

Council staff declined to obtain that vital information prior to the Council vote, and it is not known whether that decision was a direction from councillors or not.

It is quite surprising that Council has conducted itself in this manner, given that Peel irrigators are ratepayers of the Council, and that the Local Government Act includes the following clauses under the heading of 'the role of a councillor' at Section 232 –

- (b) to make considered and well informed decisions as a member of the governing body,
- (d) to represent the collective interests of residents, ratepayers and the local community

In terms of fostering a more constructive relationship in future between Council and the local irrigation industry, we offer the following observations –

- (a) We understand Council's frustration with the excessive water charges that have been imposed by IPART, and we recognise that IPART failed in its duty to properly address the problem of excessive water charges in the Peel Valley. However, we do not agree that it is appropriate for Council to seek to proceed with changes that would have impacted on Council's own ratepayers to such an extent as has been demonstrated, particularly when Councillors were not in possession of all of the relevant facts, and further, when Council's own arguments for the proposed change contained obvious known inaccuracies.

We suggest that in future, Council should engage in more meaningful consultations with all stakeholders in the Peel Valley on water issues.

- (b) We also share Council's concerns about the reliability of access to water during periods of sustained low rainfall (such as at the present time). However, we do not agree with Council's approach to monopolising access to as much water in Chaffey Dam as possible – at a time when all stakeholders are experiencing significant water shortages.

We again draw Council's attention to the fact that Chaffey Dam was constructed "*for the purpose of irrigation and to augment the water supply to the City of Tamworth*". It is therefore not appropriate for Council to continue to attempt to monopolise access to water from Chaffey Dam, to the detriment of the local irrigation industry.

Council was in panic mode when Chaffey Dam fell to 13% of capacity in 2007, and only then did Council accept the dire state of the City's water reserves. Had that situation not arisen, Chaffey Dam may not have been enlarged. But given the apparent gradual change in weather patterns resulting in periods of extreme rainfall and extreme droughts, it is astonishing that Council has so far been unable to find a way to utilise the \$75 million which the Member for New England apparently has recently committed to boost the local water storage reserves.

There is a view in the community that Council has an aversion to the early imposition of water restrictions on all ratepayers, and we believe that Council should review the current policy on this matter. Clearly, the region is currently in a prolonged dry spell and the community needs prudent water management, regardless of the perceived pain of water restrictions.

We would again request that Council engages in a more consultative approach to potential solutions to the problem of equitably sharing the available water resource in the Peel Valley.

- (c) The irrigation industry has been a part of the composition of the Tamworth economy for several generations – probably around a century. Whilst other industries such as abattoirs, property development and country music have risen to prominence in more recent years, the irrigation industry has continued to survive, and has continued to make a worthwhile contribution to the local economy.

Comments are occasionally made in the media suggesting that Council is too 'city centric', and the local irrigation industry certainly holds the view that Council has a 'blind spot' in regard to the contribution that is made by the irrigation industry to the local economy. We would have expected that Council would use all of its weight to retain an existing and long established local industry, particularly one that is environmentally passive. However, we have not had any recent indication that Council either supports or values the local irrigation industry.

Council will be aware that Peel Valley irrigators have battled against excessive water usage charges for years, and have battled to obtain equitable access to water since the introduction of the Peel Water Sharing Plan in 2010. The total of all general security irrigation licence entitlements in the Peel Valley is 31,000ML, but the maximum extraction limit imposed by the Water Sharing Plan is just 6,100ML annually – (in a year with a full water allocation). This arbitrary limit severely constrains the output from irrigated agriculture in the valley, and it prohibits any prospect of future economic growth. Given that environmental water in the Peel Valley now amounts to 6,257ML annually, it would appear that the system is out of balance.

The Peel Water Sharing Plan is due for review in 2019, and we would anticipate that Council would support the local irrigation industry during the review process, including the need to have the volume of environmental water independently reviewed.

As has been pointed out on previous occasions, the local irrigation industry not only provides fodder for local rural enterprises such as livestock, horses and dairies, but revenue is drawn into the local economy from sales which are made to other areas. Without a local irrigation industry in future, not only would the incoming revenue stream cease to exist, but there would be an increasing outflow of local funds to other regions for the purchase of fodder which has traditionally been produced locally. The net effect of these dual inevitable consequences on the local economy would be significant.

In summary, we sincerely hope that Council accepts our concerns, and that there can be a renewed approach from the Council towards working more collaboratively with the irrigation industry in the Peel Valley in future.

Yours sincerely

Jannine Miles
Joint President

Tom Woolaston
Joint President

Cc The Hon Niall Blair MLC, Mr Kevin Anderson MP, Paul Bennett, Bruce Logan, The Hon Barnaby Joyce, MP, Member for New England

Peel Valley Water Users Association Inc

The only organisation that represents the Irrigation Industry in the Peel Valley

Tamworth NSW 2340

Councillor Col Murray
Mayor,
Tamworth Regional Council
Tamworth NSW 2340

(by electronic mail to all recipients)

8th October 2015

Dear Councillor Murray

Re: Irrigators financial contribution to the upgrade of Chaffey Dam

We refer to an article in the Northern Daily Leader dated Monday 21st September, and also an article on Tamworth Regional Council's website <http://www.tamworth.nsw.gov.au/News-Articles/September-2015/Council-to-lobby-for-West-Bank-Road-solution> in which there is an inference that the irrigators in the Peel Valley failed to meet a commitment to contribute financially towards the upgrade of Chaffey Dam.

We believe that it is unfortunate that Council continues to relay this opinion, when Council is well aware that the irrigation industry never committed and never agreed to pay any contribution towards the cost of the upgrade.

As you are aware from the meeting with representatives from the Peel Valley Water Users Association, which was held in Council's premises on Tuesday 10th April 2012, the request for a proposed contribution of \$876,000 by the irrigation industry was made by others without the irrigators' approval, and this proposed contribution was never agreed to by the irrigators.

The reasons why the irrigation industry never agreed to contribute funds are:

1. The irrigators in the Peel Valley will not be able to access any additional water from Chaffey Dam as a result of the upgrade.
2. The irrigators are already paying excessive charges from two separate NSW Government-owned monopolies for their water, and these excessive charges are a direct annual contribution towards Government funds.
3. The total entitlement of licence holders in the Peel Valley is 31,000 ML, but irrigators can only access just 6,100 ML under the Peel Water Sharing Plan. However, irrigators must continue to pay annual entitlement fees on the full 31,000 ML, and this is a direct annual contribution towards Government funds.

4. Following the upgrade of the Dam, 5,000 ML of water will be allocated to the environment annually, compared to 6,100 ML which the irrigators can access.

But once the 5,000 ML of environmental water flows into the Namoi River, the Namoi Valley irrigators can access the full amount of 5,000 ML for irrigation.

Therefore, the irrigators in the Peel Valley (and the Council) pay the full costs on this water but can never access it, and the Namoi Valley derives the full benefit.

We believe that this is an unfair and forced annual contribution by Peel Valley irrigators to Government funds.

We have also attached a copy of the letter which was sent to the Minister for Water when the original discussions about contributing to the cost of the upgrade were held, and you already have a copy of this letter as it was tabled at the meeting with our representatives. This letter clearly spells out the fact that the Peel Valley irrigators never agreed to contribute any funds towards the upgrade of Chaffey Dam.

We would be grateful if you would now amend the article on Councils' website to reflect the accurate position of the irrigation industry in the Peel Valley towards the upgrade of Chaffey Dam.

And in future, the irrigation industry in the Peel Valley would appreciate a little support from Council, rather than the inaccurate and negative impression that Council conveyed on this occasion. The irrigation industry in the Peel Valley contributes significantly to the Tamworth economy, and you will be aware that there are enough hurdles for irrigators in the Peel Valley at the moment without Council continuing to convey inaccurate and unhelpful impressions about the Peel Valley irrigators.

Yours sincerely

Jannine Miles
Joint President

Tom Woolaston
Joint President

Cc: Councillor Russell Webb, Councillor Phil Betts, Councillor Tim Coates, Councillor Mark Rodda, Councillor Helen Tickle, Councillor James Treloar, Councillor Juanita Wilson, Councillor Warren Woodley, Paul Bennett, Bruce Logan, Kevin Anderson MP, The Hon. Niall Blair, MLC, The Hon Barnaby Joyce, MP, Member for New England

The critical point is that the circumstances affecting the irrigation community in the Peel Valley have changed so much since the time the indication was first made, that we have no alternative but to withdraw any perception that the irrigation community is in a position to contribute financially to the cost of the upgrade.

The circumstances that have changed from the time when discussions originally occurred are -

1. The General Security Regulated water users in the Peel were paying \$19.50 per ML (\$5.27 entitlement and \$14.23 usage). However, as a result of IPART's recent determinations this figure has rocketed to \$53.84 per ML in 2013-2014. These charges are ten times the Murrumbidgee, twice the adjoining Namoi Valley, and three times the adjoining Hunter Valley. The excessive charges in the Peel Valley render it unlikely that irrigators could viably fund an additional charge for the upgrade to Chaffey Dam.
2. The upgrade of Chaffey Dam was contingent solely on the completion of the Water Sharing Plan for the Peel Valley. Once the Water Sharing Plan had been completed, the upgrade was made contingent on something else – on this occasion it is the Menindee Lakes, which is an issue that is completely unrelated to the Peel Valley
3. The irrigators embarked on the Water Sharing Plan process in good faith, and in addition to the disappearance of the link to the upgrade of Chaffey Dam, the Water Sharing Plan “resumed” about 24,900 ML of Regulated General Security entitlement, and about 40,000 ML of Groundwater entitlement. However, irrigators are still required to pay the entitlement charges on the full original entitlement of 31,000 ML of Regulated General Security water (although the Long Term Average Annual Extraction Limit set under the Water Sharing Plan is only 6,100 ML) and the full original entitlement of 49,800 ML of groundwater (although the Long Term Average Annual Extraction Limit set under the Water Sharing Plan is only 9,334 ML).
4. In addition to the above “resumptions” under the Water Sharing Plan, the “Guide to the Murray Darling Basin Plan” is proposing yet further “resumptions” in the Peel Valley of up to perhaps 37% of the 6,100 ML for Regulated General Security water, and up to perhaps 37% of 7,300 ML for Groundwater (Why 7,300 ML has been used instead of 9,334 ML is not clear to us at this stage). The Water Sharing Plan affirms that 95% of the long term average flow in the Peel River flows out of the end of the Peel River into the Namoi River, even before the Water Sharing Plan cutbacks were implemented, so we not only find it objectionable that such harsh cutbacks were introduced in the Peel Valley under the Peel Water Sharing Plan, but that any further cutbacks are even being contemplated by the MDBA.
5. The cost of upgrading Chaffey Dam was originally \$12 - \$13 million. Recent costs have been quoted as high as \$36 million, but at this point in time there is no final cost estimate, no start date for the project, and no completion date for the project.

Given this background, and also given the fact that a financial contribution by irrigators would not result in any increase in their access to water, we trust that you will understand the Association's decision to withdraw any notion of an offer of financial support for the upgrade. The banks are probably reviewing their investments in the irrigation industry as a result of the MDBA process, and they are therefore unlikely to increase their lending to irrigation businesses in order for them to contribute towards the upgrade of Chaffey Dam, when those businesses will derive nothing whatsoever in return for their financial contribution.

It is therefore untenable for this Association to leave the impression anywhere in the public arena that a financial contribution will be forthcoming under these circumstances.

Notwithstanding any of the foregoing, we remain willing to participate in a future round of new negotiations regarding a possible financial contribution, once there is a properly costed plan for

the upgrade that includes a completion date for the project, and one that is not contingent on any external factors.

Yours sincerely

Ildu Monticone
President

Peel Valley Water Users Association Inc

The only organisation that represents the Irrigation Industry in the Peel Valley

Tamworth NSW 2340

Councillor Russell Webb
Acting Mayor,
Tamworth Regional Council
Tamworth NSW 2340

(by electronic mail to all recipients)

27th October 2015

Dear Councillor Webb

Re: Irrigators financial contribution to the upgrade of Chaffey Dam
Your letter dated 13 October 2015, Ref: BL/SF 1347

We thank you for your letter, but with respect, we believe that you have missed the point.

There may well have been a recommendation that the Peel Valley irrigators should provide \$876,000 towards the funding of the upgrade of Chaffey Dam.

But a recommendation does not constitute an agreement.

The Peel Valley Water Users Association never signed any agreement to commit funding to the upgrade of Chaffey Dam.

Therefore we believe that it is most unfortunate that Council continues to present the misleading, inaccurate and unfair opinion that the irrigators reneged on a commitment to fund 6% of the cost of the upgrade, when Council is well aware that the irrigation industry never committed and never agreed to pay any contribution towards the cost of the upgrade.

As requested in our original letter to Council dated 8th October 2015, we reiterate that we would be grateful if you would now amend the article on Councils' website to reflect the accurate position of the irrigation industry in the Peel Valley towards the upgrade of Chaffey Dam.

And we again plead that in future, the irrigation industry in the Peel Valley receives a little support from Council, rather than the inaccurate and negative impression that Council conveyed on this occasion. As we said previously, the irrigation industry in the Peel Valley contributes significantly to the Tamworth economy, and you will be aware that there are enough hurdles for irrigators in the Peel Valley at the moment without Council continuing to convey inaccurate and unhelpful impressions about the Peel Valley irrigators.

Yours sincerely

Jannine Miles
Joint President

Tom Woolaston
Joint President

Cc: Col Murray – Mayor, Paul Bennett, Bruce Logan, Kevin Anderson MP, The Hon. Niall Blair, MLC, The Hon Barnaby Joyce, MP, Member for New England

3 – Submission lodged by Laurie Pengelly on the role of Tamworth Regional Council in water issues in the Peel Valley

The impact that Tamworth Regional Council has on the resources of Chaffey Dam which far and away exceeds the agreement made in the 1970's between the then Tamworth City Council and the NSW Government needs to be addressed as a matter of urgency by the Natural Resource Commission. Whilst this agreement may be long in the tooth, it would still form the basis for a legal challenge for compensation by other water users in the Peel Valley if the WSP sets aside more than 16,400 ML annually in Chaffey for TRC's use.

Tamworth Regional Council is city centric and is apparently willing to destroy the Peel's other water users by severely limiting their access to the resources of Chaffey Dam.

The proposed amendment by Tamworth City Council should be rejected by the Natural Resources Commission as detailed below.

This proposal by Tamworth Regional Council is a direct consequence of the unreasonably high Bulk Water charges which have for over a decade dogged the Peel Valley. In particular it is a reaction to IPART's 2017 Determination which shifted the cost burden of the Peel's high prices from the Water Users to the Entitlement Holders significantly increasing the City's Water Bill.

The impact on the General Security Water Users Allocations and to the allocation of the Peel's Environmental Contingency Allowance of Tamworth Regional Council's request to have the Peel Water Sharing Plan amended from 70% of its entitlement to 100% of its 16,400ML entitlement included in the Peel Valleys Available Water Determination Process is summarized below. The details of these calculations are tabled in Appendix 1 with supporting documentation from the Department of Primary Industry in Appendix 11.

IMPACT

The General Security and ECA allocation will decrease by 28 - 30%. That is an allocation of 90% will decrease to 60%

| | |
|-----|------|
| 60% | 30% |
| 40% | 10% |
| 30% | zero |

The Peel's General Security reliability of supply is 62% (Ref IPART 2017). This will decrease to 32%. A level at which the irrigation industry is unviable .

The destruction, by Tamworth Regional Council, of the Peel's Irrigation Industry and the Environment via a massive reduction in the value of the 5000ML Environmental Contingency Allowance is compounded by the fact that there will be NO General Security / ECA allocation until the recently enlarged Chaffey Dam has about 53GL in storage ie over half full. This means that 53,000ML will be set aside in the Dam to supply Tamworth Regional Council's 16,400ML entitlement. This massive domination of the Dams Resource was NOT the intent of the agreement made between, the then Tamworth City Council and the Water Conservation and Irrigation Commission on 24th July 1975.

Examination of the Tamworth City Council / Water Conservation and Irrigation Commission Document reveals

1. Councils financial contribution to construction of Chaffey Dam was 2.88 million of which 1.44 million was a subsidy from the Pool Fund of the Minister for Public Works. The estimated cost of

the dam was 14.4 million dollars. It actually cost 31 million so Councils contribution from rate payer funds represent less than 5% of the cost of Chaffey Dam not the massive 25% claimed by Tamworth Regional Council. A slight case of exaggeration, but why spoil a good story with the truth!!

2. Chaffey dam was constructed "**for the purpose of irrigation and to augment the water supply to the City of Tamworth**".

3. "*In consideration of Councils contribution the Council will be entitled to draw from the storage of the Dam or from the Peel River a maximum annual quantity of 16,400ML of water*".

NOTE The 16,400ML licence of Tamworth City Council was the same category of water licence that all other water users were issued with. There was NO hierarchy of use, there were no special conditions applying to local Water Utility and then were no high Security category's and No Water Sharing Plan. All licences were the same in their ability to draw water from the Peel River - so a can of worms has been opened. When High Security was introduced following a drought in the early 1980's to help protect permanent plantings and other intensive Irrigation Industries the conversion factor was 2 for 1. Town Water flew under the radar and following the introduction of Water Sharing Plans, Town Water was further upgraded in the form of Local Water Utility - The Water Minister of today, Niall Blair should lower the radar and reassess Tamworth Regional Council's impact on the resources of Chaffey Dam and wind them back too the impact that was intended in the 1975 agreement. ie Back then its impact was a potential 16,400 each year, now it will be 43,000ML impact each year if TRC is successful in its WSP amendment.

The NSW Water Management Act 2000 provided an opportunity for the Water Minister of the day to impose ministerial conditions on Local Water Utilities. Tamworth City Council sought Senior Councils advice on the matter and in an assessment dated 20th June 2001, the Senior Council advised

"Executive summary

*(c) The 2000 legislation appears to:
confirm the continued existence of the contract, and
give the council the right to a licence at the full contractual right level should the Council request it. However, this right is qualified expressly by the 2000 legislation in that where the contractual entitlement exceeds existing consumption at the date of commencement of the 2000 Act, the Minister is given power, if the Minister is satisfied that it is necessary "in the public interest", to impose a condition on the access licence to the effect that water is not to be taken in excess of present consumption or used except with the consent of the Minister.*

(d) On the assumption that Tamworth's water consumption remains less than the contractual right at the time the 2000 Act comes into effect, there would appear to be scope for the imposition of a Ministerial condition on the consumption of water in excess of consumption as at the date of commencement of the 2000 Act.

(e) This condition can only be imposed if the Minister can identify some relevant "public interest" in respect of which it is necessary to impose the condition."

Tamworth City Council had a real concern on their hands as the average use by TCC from Chaffey Dam from 1995/1996 to 2000/2001 was only 3509ML per annum and there was and still is, an obvious "public interest" - The Peel's General Security Irrigators

At the time Tamworth City Council only required 10GL to be set aside for town water supply in the Available Water Determination (refer the 2002/03 AWD) and with storage reserve for the following year for LWU and HS of 12GL. Now if Tamworth Regional Council is going to change these arrangements the current Water Minister should review his powers under the Water Management Act 2000 to address the "public interest" issue which as stated previously will be the destruction of the Peels irrigation industry.

NOTE Tamworth Regional Councils use of water over the last 10 years is still only about 4,300ML pa from Chaffey Dam

The Senior Councils advice to the then Tamworth City Council states paragraph 20

"The original proposal was that the Council would receive 20% of the safe annual water yield from the Chaffey Dam (1560 million gallons) and contribute 20% of the construction costs of the dam."

This access was increased in paragraph 21

"The Minister advised that the Council would be entitled to a maximum of 3600 million gallons".

and in paragraph (27)

"The drawing of entitlements in the contract of 16,400 megalitres is consistent with the Ministerial advice of 6 June 1974, of a maximum drawing entitlement of 3,600,000 gallons being slightly more than 16,400 megalitres. The difference is not significant in the present context."

The significance of all this is that the safe yield of Chaffey Dam was estimated to be 35.5GL of which TCC had a maximum access to 16.4GL leaving 19.1GL of the safe yield available for irrigation and other water users.

This was the intent of the agreement made between Tamworth City Council and the NSW Government, it should be upheld by today's Water Minister.

NOTE TRC's current impact on the resources of Chaffey at 70 / 70 is 29.6GL well above the agreed maximum access and at 100 / 100 this will increase to 43GL ie well over the estimated safe annual water yield of the 62GL Dam. Unfortunately safe yield is only marginally improved by increasing Chaffey's storage as it is dependent largely on inflows into the Dam which of course remain unchanged with increased capacity to capture and store water having only a secondary influence.

Another issue that should be addressed by the Minister for Water and the Minister for the Environment is that the WSP change proposed by Tamworth Regional Council will markedly **reduce the usefulness of the Environment Contingency Allowance** as its long term average allocation will drop from a 62% reliability of supply to only 30% which in many years won't be enough water to wet the banks of the Peel to Dungowan Creek let alone meet other environmental outcomes.

Maybe the Murray Darling Basin Authority may also like to get involved as the **Commonwealth Water Holders investment** in the Peel will be a bad investment, as its entitlement will get the same reduced allocations as both the Environmental Contingency Allowance and the General Security Entitlement holders which is a fairly useless 30% reliability of supply for the Commonwealth Water Holders investment.

Environmental Water is sacrosanct in the Murray Darling Basin.

Given all this pain to the Peel's Irrigation Industry and the Environment, **is Tamworth Regional Council going to benefit in any way.**

In terms of increasing its water security, it is only a paper improvement. History demonstrates that the current Peel WSP provisions have secured Tamworth's Water Supplies through some of the worst droughts that the region has suffered. Tamworth residents have had water restrictions, and so they should, as everyone has to conserve water in these times but not once has the Minister had to suspend the Peel's WSP which he has the power to do if Town Water Supply is likely to be in jeopardy. In short Tamworth currently has a secure and reliable water supply and is the envy of many cities.

Having achieved only a paper increase in water security **how much is it going to cost the Tamworth Regional Council in its Water Bill** - the driving force for the Water Sharing Plan amendment. The water charges will go up!! IPART's High Security Premium will push up High Security Entitlement Charges as a result of

1. the reduced reliability of supply to General Security resulting in the Reliability Ratio increasing from 1.58 to 3.06.
2. the impact of 16,400 on the Security Factor which rises from 6.54 to 13.0 resulting in a High Security Premium of 39.78 compared to 10.64.

That is the High Security Entitlement charge was 10.64 times the General Security Entitlement charge this will increase so that Tamworth Regional Council Entitlement charge will be 39.78 times the General Security Entitlement charges as a direct result of the change from 70/70 to 100/100. **So much for reducing Tamworth Regional Councils Water Charges!!**

So Tamworth Regional Council has achieved nothing but increased water charges, out of all this even the paper increase in security of supply may be short lived as the Peel's General Security irrigators go out of business, **the Peel alluvium extractions will increase.**

It is a fact and TRC is well aware of this, that the transmission losses to meet TRC's water's orders when there is no General Security water in the system rises from 30% to around 50% and even higher, so more and more water will need to be released from Chaffey to meet TRC's water needs. That is even with 53,000ML set aside in Chaffey to meet Tamworth Regional Councils proposed change to the WSP and with an average use from Chaffey Dam of only 4,300ML (ie 12.3 times its use in the Dam) if it stays dry for long enough Tamworth will run itself out of water! If TRC really wants to improve its water security then put in a pipeline to Chaffey Dam.

Another factor which the Minister may need to address is that Tamworth Regional Council commissioned a **Sewerage Effluent Reuse Farm** in about 2005 which diverted some 4000ML of water from the Peel River. They were advised that this would **reduce the Councils reliability of supply** in a study done by the University of New England and it was no surprise that it did, and still does, over a decade later even with an enlarged Dam.

In addition increased releases are required from Chaffey to meet in-stream commitments that were previously met by the water that is now diverted from the Peel River. The Minister for both Water and the Environment should reduce Tamworth Regional Council access of their Local Water Utility water supply by the volume of water diverted to the reuse farm which by the way is a local tourist attraction. There is a paddock full of white elephants.

Given all of the above the Peel Valley Water Users strongly oppose Tamworth Regional Councils proposed change to the Peel's Water Sharing plan and we've given the **Minister for Water and the Minister for the Environment many opportunities and justification to wind back the Councils access to water** as summarised below

1. Conversion to High Security

Conversion factor 2/1 ie 16,400ML decreases to 8,200ML

2. Impact on the Safe Yield of Chaffey Dam

This should remain at the same ratio agreed to in the contract between Tamworth City Council and Water Conservation and Irrigation Commission.

This is a maximum of use by Tamworth Regional Council of 46% of the safe yield of Chaffey Dam.

3. The Water Management Act 2000

has given the Minister the power to impose a condition on the access licence so the water is not to be extracted in excess of current consumption which at the time was an average 3509ML from 1995/1996 to 2000/2001 with a maximum use in 1997/1998 of 6999ML.

4. The Sewerage Effluent Reuse Farm

has diverted some 4000ML from the Peel River. The water diverted from the Peel should be deducted from the Local Water Utilities access licence.

It would not be unreasonable to expect the Minister for Water and the Minister for the Environment to wind back Tamworth's Local Water Utility access to 10,000ML (the same volume used in the AWD in 2002/2003). A 1000ML entitlement to Chaffey Dam plus the resource of Tamworth's Dungowan Dam was and still is more than enough to meet Tamworth City's water needs.

Note TRC use of water has hovered at 9000ML (roughly 50% Chaffey, 50% Dungowan) for the last 30 years. The current Water Manager at TRC has done a great job to achieve this result and no doubt Councils prudent use of water will continue into the future.

Should the Water Minister the Hon Niall Blair and the Minister for the Environment the Hon Gabriel Upton take up the opportunity to reduce Tamworth Regional Council Water Utility Entitlement to around 10,000ML, it will achieve a Triple Bottom Line Result .

That is

1. Tamworth Regional Council will have achieved its goal of having 100% of their 10,000ML entitlement included in the AWD process and more importantly their **Water Bill**, the cause of this ruckus, **will be reduced by \$293,120.00pa** Now that is a good result!!
2. The Peel's Environmental Contingency Allowance along with the Commonwealth Water Holders Entitlement will receive enough allocation to do its valuable environmental work.
3. The Peel's irrigators will have a sustainable future which will benefit the socio economic outcomes of the Peel Valley for years to come.

An assessment of the allocations and cost to Council based on the historical AWD process for each of the possible changes that the Ministers may invoke subject to say 43GL being available (Chaffey at about 80%) to allocate water to LWU and GS /ECA after all other water requirements and commitments have been met, is tabled below.

Table based on the Historical AWD process

| <u>Ministerial Change</u> | <u>TRC Entitlement</u> | <u>LWU Allocation</u> | <u>GS/ECA Allocation</u> | <u>Indicative Change to TRC's Water Bill \$</u> |
|---|------------------------|-----------------------|--------------------------|---|
| High Sec. Conversion | 8,200 | 100% | 76% | 375,560 reduction |
| Safe Yd(say 40GL) 46% to TRC !8GL TRC 22GL to others | 9,200 | 100% | 70% | 329,760 reduction |
| Water Management Act 2000 (set at max use of preceding years) | 7,000 | 100% | 82% | 430,520 reduction |
| Reuse Farm (-4000) | 12,400 | 100% | 52% | 183,200 reduction |
| Limit TRC to 10,000ML | 10,000 | 100% | 65% | 293,120 reduction |
| Current 70/70 | 16,400 | 100% | 57% | No Change |
| Proposed 100/100 | 16,400 | 100% | 29% | 85,118 Increase |

We recognize that you cannot run a city out of water. The current WSP with the historical AWD process in place has worked well in the past to provide Tamworth residents with a secure and reliable water supply and the current provisions in the Peel's Water Sharing Plan will ensure that the Council has a secure and reliable water supply for many years to come and the Peel Valley will still have a Viable Irrigation Industry and an environmentally useful Environmental Contingency Allowance.

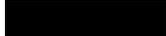
Footnote

The proposed change to the Peel's Water Sharing Plan by Tamworth Regional Council is a spiteful over reaction to IPART's 2017 Determination which over ruled TRC's submission when it ruled in favour of the Peel's irrigators position on Bulk Water Prices.

Tamworth Regional Council is the ONLY Local Government in the Murray Darling Basin that has set out to destroy its Irrigation Industry. All other Local Governments in the Basin promote and appreciate the positive socio economic outcomes to their communities that is provided by their Local Irrigation Industry.

If Tamworth Regional Council want better water security than they have in the current Peel Water Sharing Plan, then they should build themselves another Dam.

Laurie Pengelly



4 – Submission lodged by Cockburn Valley Water Users

Submission on the Peel Water Sharing Plan for the Peel Unregulated Surface Water, Unregulated Alluvium and Fractured Rock.

Cockburn Valley

If the objective of the Water Sharing Plan was to destroy our agricultural industry, then in that sense it is succeeding.

Unregulated alluvium

The changes necessary with this part of the plan is to remove the highly connected rule and replace it with a somewhat connected rule and introduce a CTP (cease to pump). That will achieve a satisfactory environmental, social and economic outcome.

A number of studies have been commissioned, with companies qualified in this field to prove the real connectivity between surface and alluvial water.

These studies have proven what the irrigators have experienced during many decades of irrigation in the Cockburn Valley.

We are sure, with more interaction between the Department of Primary Industries Water and Irrigators, we can resolve to agree on a suitable CTP that will not affect the triple bottom line.

Unregulated Surface Water

The agreed changes to this part of the plan must be implemented in the WSP for 2020 to 2030.

The importance of this part of the plan can't be underestimated. The proposed changes to the River height gauge at Kootingal to a flow / volume gauge and moving the orifice to a more stable section of the river will give a more accurate indication on which to base our CTP rules.

The proposed and agreed CTP rules will give irrigators a better chance to save a crop and achieve a better social and economic outcome while still looking after environmental flows and pools.

Peel Fractured Rock

The account management rules need to be changed to allow the same carryover conditions as alluvium irrigators, whereby three years entitlement can be used in two water years.

The economic and social benefits would be immense. It could mean the difference between harvesting a crop or losing a crop without undue impacts on the environment, particularly during a hot dry period. Saving a crop benefits the overall economy and the social benefits are obvious with farming families able to contribute in a positive way to their community.

Answers to Natural Resource commissions five key questions.

1. Social outcomes ? **Negative**
2. Environmental outcomes? **No overall benefit**
3. Economic outcomes? **Disastrous**
4. Meeting plans objectives? **If the objective was to destroy our industry, then it is successful.**
5. Changes to improve outcomes? **All the changes listed above.**

Conclusion

The current WSP was based on false history established by the Department of Primary Industries Water, whereby the department established a surface water CTP of 0.5 metre.

This CTP was attached as a condition to our licence. After many days of unsuccessfully trying to have this condition removed, the department agreed to the addition of a concurrence clause that gave the irrigators some access below 0.5 metre.

However, some time after the inclusion of the concurrence clause, it was removed by the department leaving our industry with just days of access to irrigation during summer months.

All of this happened without consultation.

Ian Coxhead

[REDACTED]

Jillian Coxhead

[REDACTED]

[REDACTED]
Nemingha NSW 2340