



17 July 2018

Ms. Rachel Connell  
Executive Director  
Department of Industry – Lands and Water Division  
[rachel.connell@industry.nsw.gov.au](mailto:rachel.connell@industry.nsw.gov.au)

Via Electronic Mail

Dear Ms. Connell,

**Re: Gwydir Valley Irrigators Association submission on Long-Term Division Limit Equivalence Factors**

The Gwydir Valley Irrigators Association Inc (GVIA) is writing to provide feedback on the Department of Industry's Consultation Paper and Technical Report on the NSW updated factors for water recovery.

The GVIA raised concerns with the validity of the Long-Term Division Limit Equivalence Factors (LTDLE Factors)<sup>1</sup> during consultation on the Basin Plan in 2011 following the challenges we had in reconciling the valley's recovery status. Our representation on these issues continued until Ministerial Council agreed to investigate the factors later in 2013. Following the NSW Government and Murray Darling Basin Authorities investigation, it is clear that there were anomalies in how the Gwydir calculations were made with an estimate of a negative 20% error reported<sup>2</sup>.

The GVIA appreciates that the proposed LTDLE factors are to be based on a consistent suite of data and assumptions, which are to be used as an accounting tool to convert the Commonwealth and NSW Government's recovered water entitlements post 2009 into a long-term diversion limit equivalent for each of the various types of water entitlements across the Murray-Darling Basin. The outcome from applying these factors is therefore anticipated guide the Commonwealth's environmental water recovery under the Basin Plan with the aim of ensuring that all NSW valleys (and all Murray-Darling Basin valleys) are SDL compliant from 1st July 2019. With current estimates being that NSW is 46,458 GL/year over-recovered<sup>3</sup> largely a result of additional recovery in the Macquarie and Gwydir Valleys<sup>4</sup>.

We therefore, appreciate the efforts by the NSW Government to ensure that these factors, a point-in-time calculation, are as accurate as possible and therefore aim to reduce the risk of future sustainable diversion limit breaches and provide a reliable calculation of water recovered for the environment. We also acknowledge that the overall outcome of these factors is subject to change following the finalisation of Baseline Diversion Limit model runs for each valley.

---

<sup>1</sup> Released on 1 June 2018

<sup>2</sup> Page 18 - NSW Department of Industry, *Derivation of LTDLE factors in NSW*, May 2018.

<sup>3</sup> Not including instream shortfalls in the Namoi, Border Rivers and Lachlan Valley.

<sup>4</sup> Page 38 - NSW Department of Industry, *Derivation of LTDLE factors in NSW*, May 2018.

We note and welcome that the updated factors provide greater transparency to stakeholders on their calculation methodology, standardise these calculations and more accurately reflect operational realities at 2009 when the factors are to apply. To that end we support the use of historical usage data rather than assumptions of future behaviour, which we understand to have resulted in inaccuracies in our valley's previous factors.

We do question the selected period of data use and how the acquisition of environmental water entitlements and their different use patterns may impact the calculated conversion factor. For example, in the Gwydir most of the water recovery occurred between 2008 and 2010, during this period there was limited water availability but after 2011, when accounts were fully allocated, a difference in usage pattern was evident between irrigators and the environment. The GVIA wonder what the impact of using post 2011 usage is on the factor and whether the usage period should be shorted to eliminate the impact of government purchases to better reflect the pre-Basin Plan policy settings which we understand the LTDLE factors are designed to reflect.

Further to this, the GVIA asks what the NSW and Commonwealth Government's intending to engage with the communities where the water recovery is determined to be over and above the requirements in the Basin Plan as in the Gwydir. The GVIA believes that through strategic investment in water and infrastructure, smarter investment by government's should aim to offset the economic losses of the past and provide a unique opportunity to strengthen the economic base of the community to build community resilience and reinvigorate the economy of the region. Returning water into production by itself will have benefits by increasing the productive capacity of the irrigated industry, which would have demonstrated benefits for the agricultural and supply sectors, as well as for the non-agricultural sector but will only lead to a partial reversal in the job losses. But if aligned other investment opportunities like new-business stimulus packages, decentralisation initiatives, further investment in transport routes and improved technology access the possibilities to harness this unique opportunity further beyond the farm-gate and for future generations are significant.

Whilst the GVIA is aware that LTDLE factors are not a tool to measure long-term behaviours or growth, we do have concerns on how the NSW Government will monitor and address growth in use between different entitlement users. This is of concern where environmental behaviours (or irrigation) may trigger growth in use strategies for plan limit compliance with the water sharing plan, resulting in allocation reduction on all entitlements, rather than the impactor. For that reason, we seek assurances that the Department and the Murray-Darling Basin Authority will monitor the water use behaviour of the major categories of water users, to ensure that the action of one does not impede on the reliability of the other.

We thank you for the opportunity to provide this feedback and we look forward to discussions with you regarding opportunities to re-balance the environmental portfolio and re-invest in our local community.

Kind Regards



Zara Lowien  
Executive Officer  
Gwydir Valley Irrigators Association Inc