

In our view, the creation of permanent property rights in water constituted a huge transfer of public wealth to private individuals. Further windfalls of this kind should not be considered unless public benefits can be guaranteed.

Furthermore, First Nations people have been waiting a long time for cultural water allocations. This is an urgent priority as First Nations communities have been significantly disadvantaged by the entire water reform process.

The ecological condition of the Macquarie Marshes makes it abundantly clear that environmental water in the Macquarie valley has not been "over-recovered". The Macquarie Marshes was once one of the largest colonial waterbird breeding sites in the country but have shrunk significantly as a result of river regulation and consumptive uses of water upstream - including FPH. It is abundantly clear to us and our members in the Macquarie, that more water must be returned to the environment.

Climate models used in the FPH assessment only use climate data up to 2009. This period was characterised by small, relatively frequent events with rare spikes. Climate predictions indicate that there will be larger but less frequent floods in the future.

Five year accounting with carryover is not acceptable given a future with larger but fewer flood events. One year accounting with no carry over will mean volumes of take will be limited to one years' entitlement. Five year accounting with carryover up to 500% would mean a very large portion of a large flood event could be harvested instead of providing drought-recovery benefits. The socio-economic impacts on non-consumptive users and the environment would be unacceptable and again, fail to meet the hierarchy of water sharing and use principles set out in the NSW Water Management Act 2000.

The volume of FPH proposed to be licenced in the Macquarie is based on how much water can be taken, rather than how much water is needed for critical environmental needs. This does not meet the objects or priorities under the NSW Water Management Act 2000. The proposed rules will also fail to meet the requirements of the Commonwealth Water Act 2007 and Murray-Darling Basin Plan.

Significantly, the volume of FPH modelled in the water sharing plan is zero which is clearly not the case. Furthermore, the model developed to assess FPH volumes in the Macquarie has a 51% error rate upstream of Narromine, which is unacceptably high. We further understand that twenty eight applications for FPH licences were disallowed but there is no guarantee that these illegal works won't be retrospectively approved.

We understand that the NSW government's justification for not reducing FPH in the Macquarie is because total water extractions are under the allowable limit. We note that the volume of the allowable limit has been increased but there has been no explanation as to how the new limit was determined.

The AFA reiterates its view that all water diverted above the 10% harvestable right must be licenced.

The rules should require that flows from the Macquarie must connect with the Barwon-Darling system before FPH take can commence.