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President

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Social and Economic Assessment Panel
GPO BOX 1801
Canberra City
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Dear Social and Economic Assessment Panel

RE: Draft Panel Report – Independent Assessment of Social and Economic conditions in the Basin

NSW Farmers Association (NSW Farmers) appreciates the opportunity to review and provide comment to the Draft Panel Report for the Independent Assessment of the Social and Economic Conditions in the Basin. We welcome the release of the 48 draft findings and 20 draft recommendations to sustain, stimulate, support and promote rural and regional communities in the Basin.

NSW Farmers is Australia's largest state farming organisation, representing the majority of commercial farm businesses in New South Wales, ranging from broad acre, meat, dairy, wool and grain producers, to more specialised producers in the horticulture, egg, pork, oyster and goat industries.

The Basin is home to many diverse communities, industries and environments. However, these Basin communities have been significantly and directly impacted by ongoing water reform, resulting in decreasing social and economic conditions. Impacts of water reform on Basin communities has been uneven across regions and communities. Throughout the process of water reform, Basin communities have also felt over-consulted and under listened to and therefore going forward engagement must be meaningful.

The draft Panel report has described well the current conditions and experiences communities are facing and have faced due to ongoing water reform. The impact of water reform on Basin communities has largely been negative, with many communities experiencing changes in population, demographics and increased unemployment. The changes in water use and agricultural production has flow on effects and consequently regional communities feel the strain both socially and economically. Many smaller Basin communities have less economic diversity and a higher reliance on agriculture as the main industry and are therefore more susceptible to changes due to water reform and climatic conditions such as drought.

The Panel's commissioned work of future scenarios shows that a drier or more variable future climate will increase water trade which will continue to drive changes in water use across commodities and regions. Scenario modelling also found future water recovery is likely to lead to significant falls in water use and production by irrigated cropping, pastures, and the rice and dairy sectors. While increasing dryland production will offset some of these falls, towns and communities in many farming regions will still be impacted negatively, especially under drought conditions. Basin communities are already experiencing these changes as the impacts of a lower consumptive pool of available water are exacerbated by the current drought conditions.

NSW Farmers' Association

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The recommendations make clear the need to:

- address community concerns about inadequate water reform consultations and engagement processes;
- increase the involvement of First Nations people, to utilise their knowledge of the Basin system and the environment, and to allow improved access to water from cultural and economic purposes; and
- minimise the negative impacts of water reform by improving communities' adaptation to change and providing resources to address decreases in wellbeing, infrastructure and services in Basin communities.

NSW Farmers agrees with the report finding that Basin governments must provide greater certainty and clarity around long term policy and improve the accountability and delivery of outcomes relating to water reform.

NSW Farmers believes the draft recommendations will help to address the impacts and concerns identified through the findings. However, the Association is disappointed that the Independent Panel did not make stronger recommendations in regard to the limits to further recovery of water from the consumptive pool. The recovery of a further 450GL "upwater" will certainly have a major negative impact on agricultural production, and the social and economic conditions of Basin communities.

While the draft recommendations do recommend that government should "time further water recovery to match the capacity to deliver water to where it is needed to achieve enhanced environmental, social and working river outcome.", NSW Farmers urges the Panel to go further. The Panel states that it believes that there is insufficient evidence that future water recovery is being implemented to deliver water in the places needed to effectively achieve enhanced environmental outcomes, working river systems, and improved social wellbeing in the Basin – this lack of certainty should in itself provide sufficient support for a stronger recommendation around further recovery from the consumptive pool. .

NSW Farmers asks the Assessment Panel to review its recommendations regarding further recovery of water from the consumptive pool and acknowledge that further recovery cannot be recovered from the consumptive pool without profound disruption to regional communities. Environmental outcomes are not automatically achieved by recovering water from the consumptive pool, and increased flow rate targets may have a detrimental environmental outcome. Instead, other options to achieve environmental outcomes should be investigated.

Overall, NSW Farmers believes that if implemented, the recommendations will help to minimise the impacts associated with water reform and improve the process of government engagement with Basin communities. However, the government must be held accountable for the implementation of the recommendations. There have been a large number of inquiries and reports on various aspects of water reform and the implementation of the Murray Darling Basin Plan, with very few recommendations implemented. This has left Basin communities feeling over-consulted and under listened to. The government should also conduct an audit of these inquiries and reports and explain to the public where progress on recommendation have been made and why recommendations have not been implemented.

NSW Farmers thanks the Assessment Panel for the opportunity to review and provide comment of the draft finding and recommendations for the Independent Assessment of the Social and Economic Conditions in the Basin.

Yours sincerely



James Jackson
PRESIDENT