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22 November 2007

Editors

**Re: North-South Pipeline
Food Bowl Modernisation Project Final Report**

The following are my observations on the final report.

I am available to comment further – ph 0427 624 989.

General

- The total cost of the full reconfiguration is approx. \$4 billion of which \$1 billion or more is expected to come from irrigators ref p21, 33, 34. (The Governments figures of \$1 billion with \$100 million from water users applies only to Stage 1.)
- There will be massive social implications as it is projected that modernisation/reconfiguration will result in a loss of:

	Current	Loss	Future
45% of dairy herds	1820	800	1020
64% of mixed farms	550	350	200
68% of small farms	3094	2094	1000

Refer Table 9.2, pg 55

- The 72 pg report allocates only four sentences to this massive social change, pg 56
- The report over estimates potential water savings in that it assumes losses of 800-900 GL year in year out but fails to:
 - quantify so called losses which are actually re used
 - acknowledge reduced losses in dry years eg GMW figures 2005/06 662 GL, 2006/07 548GL, 2007/08 450 estimated.
- There is little change in the recommendations in the final report compared with the draft report raising doubts about the authenticity of the consultative process given the large number of concerns and alternative views expressed at the public meetings and in many of the 140 submissions.

Specific comments

- Inconsistencies in - estimated losses, pg 11 - 900 GL, pg 46 - 850GL
- estimated savings, pg 11 - 450GL, pg 58 - 496 GL

- The shift in the boundary between public and private assets (p 19-41) will transfer the water losses to the private sector rather than necessarily achieving savings which is how it will be reported.
- Two caveats come with Government funding:-
 1. regional economic development benefits must be obtained;
 2. the efficiency gains must be achieved and hence generate water savings (pg 22).

If these caveats are to be rigidly applied it is essential that potential savings are accurately assessed before there is a commitment to the project and if the savings are not as great as stated the project should not proceed in its current form.

- The report acknowledges lack of detail (ie accuracy) ref pg 23.
- The report acknowledges the impact of climate change on reduced water availability (pg 26) but doesn't factor in the impact of reduced supply on reduced losses or reduced water savings.
- Ground water supplies are considered an important alternative water source (pg 31, 32) but there is no assessment on the impact of reducing losses from irrigation systems on reducing recharging ground water supplies (pg 45). Further the cost of accessing ground water supplies appears to be going to be borne by irrigators.
- Improved accuracy of meters doesn't result in savings, it results in increased ability to charge for water used (pg 32).
- A major reason for accepting this funding proposal was lack of confidence in availability of Federal money, however on pg 34 it is stated*people should have confidence that funds for Stage 2 will be found* (from the Federal Government!). Surely this is inconsistent logic.
- *The price of water to people accessing it from 'back bone' channels will be reduced and the cost of water from smaller distribution channels will be the same as at present.* This is difficult to accept as in all probability costs will continue to rise with the rate of increase being proposed to be greater for those on small distribution channels..
- It is acknowledged that the losses from the Torrumbarry system have environmental benefits and that reassignment of these 'beneficial losses' is required (pg 63.) But there is no quantification of the amount nor factoring this into calculations of total losses from which savings may be made.

Conclusion

This is a very shoddy report upon which to decide to invest up to \$4 billion with massive social restructure involving the loss of over 3,000 (>60%) existing irrigated farming families.

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Member for Benalla