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24th March 2004

Executive Director National Competition Council GPO Box 250B Melbourne VIC 3001

Dear Sir/Madam

I am writing on behalf of the 1000 high security horticultural irrigators of the Murrumbidgee Valley in NSW.

On behalf of those growers we wish to highlight our concerns regarding three of the issues to be considered under the 2004 NCP assessment framework for water reform (particularly as they relate to NSW). These are *Water management: water entitlements and provision to the environment, Water trading* and *Institutional reform*.

We are particularly concerned with ongoing restrictions to high security irrigator's ability to enter a free and competitive transfer market (both temporary and permanent) in the Murrumbidgee valley. This restriction has significant negative impacts on both buyers and sellers in the valley, including the environment as a potential purchaser in the market place.

As you would be aware the NSW Water Sharing Plan process has developed over the last 5 years and we have significant concerns over the inclusion of restrictions to temporary trade in the Murrumbidgee Regulated River Source plan (gazetted on 27th December 2002) which reduce competition and severely undermine the property right of high security entitlement holders.

In an effort to have these restrictive practices removed, in 2003 our organisation launched a legal challenge against the Department of Infrastructure Planning & Natural Resources, in the Land & Environment Court. Unfortunately the judge's decision supported the NSW Minister's legal right to apply the restrictions under the Water Management Act, however we continue to query the direct contradiction with COAG and National Competition Council requirements, at a political level.

The legal challenge did, however, provide documented evidence via the transcript of the hearing does which supports our concerns, particularly in highlighting the reasoning behind the implementation of these trade restrictions. The transcript clearly highlights that the restrictions are not for any public or environmental benefit, rather to provide relief to lower priority (under the Water Management Act 2000 s 58) water users in the valley (namely general security and supplementary water access licence holders). Relevant aspects of the transcript are attached for your consideration.

Full details of our concerns are attached for your review. We thank you for the opportunity to make submission to the Council and for taking the time to consider our comments.

Yours sincerely,

Belinda M Wilkes Chief Executive