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Mark Cameron

MDBA  
GPO Box 3001  
Canberra ACT 2601

Dear MDBA Committee,

I am 41yo, third generation, general security irrigator in NSW. My education includes B.Bus.Ag.Comm. 1992, MDB Leadership Program 2004, and blisters off a shovel. I am against the largess of the MDBA's plan to redistribute water.

The proposed Murray Darling Basin Plan drives me to despair as I aspire to a future continuing to irrigate my farm. My life savings ploughed into irrigation efficiencies on this farm. I now fear the MDB plan, as proposed, risks turning it all to dust. Without irrigation water my farm would not support me and my farm would maybe be worth 20 cents in the dollar. This is such social turmoil for what? To placate the romance of what a 'coffee table book' of idealized Australian landscapes should look like to some people.

Man-made rules mostly defines today's topography of the MDB, enabled by works such as: dams; weirs; levee banks; barrages; pumps; pipes and channels. A cycle of drying has shown us the hard truths of who goes without water first under this rule based topography. There exists the idea that some who miss out on water first should not and that there is some divine reason why the man-made-topography should favour them more.

The reason: river health, and that "the science will tell us what we must do."

Dr Bruce Chessman in his peer review of the "the science behind the living Murray" in 2003 comments: "I would argue that ecosystem health is a human value judgement, not a scientific concept, since I can see no objective reason for regarding a particular ecological state as healthiest – naturalness is a common choice but nonetheless subjective. Therefore scientific rigour is not relevant." (Benson et al 2003)

Some people argue that they have greater naturalness and therefore should be favoured by today's rule based topography. But whose naturalness is the right or superior naturalness? The lower lakes have the barrages included in their natural scenario.

"The natural condition (ie. pre-barrage and water diversions) is not reported as this scenario is vastly different, with those vegetation communities long ago inundated and lost. Effectively there is a completely new water level datum for the assessment process. The assessments therefore focus on new (but locally indigenous) communities which have re-established since the barrages were installed but would not survive if the natural flow regime were restored." (section 4.1.1 Jones et al 2002)

Should this idea of a 'natural' lower lakes prevail and our great dams be used to drought proof them? Or should the lower lakes waters fluctuate as the seasons vary?

Why does the concept of naturalness (a state without mans interference) have such high standing? If we always choose natural system in which mankind is not involved, aren't we choosing our own demise?

Man dared to dream that there is a new nature that is more productive and prosperous to be built, and that he has a place in this new prosperousness. Scrub lands were turned into farm lands. Waters were controlled to improve and stabilize productivity. Communities of people put down deep roots.

Now the MDB draft plan questions this dream. We de-value the landscape that we have created. The MDBA arguments of river health and river naturalness just go to highlight the hazard of morality over decisions of where water ought to go.

To date the moral hazard has been with irrigators. Irrigators saying that 'my' needs are more important. That is; when water gets scarce, the environment should miss out. But now we are confronted with the moral hazard of the environment taking irrigators' water.

A system of water governance must continually aim to reduce the moral hazard implications over where water ought to go. This is why an important first step is to create separateness between water use sectors, such as towns, irrigation, and environment. This importantly, should mandate no trade between these sectors.

## **Water Use Sectors**

I contend that we must have water classified for purpose just as we do for land. For land we have defined areas for residential, industrial and farming. This prevents a clash of community expectations, and ensures stability of investment. Government's role is to fine tune this mix according to changing demands and expectations.

Water useage needs to be segregated into groups like towns, irrigation, and the environment because this separation would better deliver the communities expectation of water sharing. These groups have differing economics in water use; therefore, open trade will distort any chosen water sharing mix. This division by useage would better address moral hazards and market failures.

The community needs to have confidence in the system. They need to be:

- confident that water is shared inline with its expectations
- confident that irrigators do not get the environments water
- confident that the environment will not get irrigators water
- confident that the environment will not temporarily sell water to irrigators only to then complain that the environment is not getting enough water
- confident that the environmental water holder will not manipulate the water market
- confident that there is incentive to invest in water use efficiencies equally amongst the sectors

For example:

- In wet times the environment should not sell as there is always more trees that would love there turn to drink
- In dry times irrigators should not sell as there are irrigation communities to support
- Towns need to invest in water saving measures, rather than buy water relatively cheaply from irrigators

Primarily water is classified by its share of catchment runoff (yield), described as water entitlements. In addition it would be classified according to its sector. Any change in the sectors share of water would be a matter for parliament.

This separation and barrier to trade between water use sectors offers:

- greater transparency
- makes it possible to better judge whether the water sharing mix is right
- makes it clear that the community is in charge of determining the right water sharing mix
- provides water stability within the different sectors, which provides investment stability
- still allows the market to distribute water to higher valued outcomes within each sector
- better enables the market to drive water use efficiencies because there is investment stability

## **Transition**

Once society has decided on the water sharing mix that is acceptable to all, it is important that trade in water entitlement is the method by which this adjustment is made. That is, the environment must buy water entitlement to meet its needs. This is because:

- the rules of the game are not changing with any adjustments
- water entitlements maintain their nature, hence their value
- movements are simple and easily understood
- the outcome is that all sectors have instruments (water entitlements) that deliver water relative to the season

We all need to be clear that there is an end-point when the adjustment has been made. This is to give stability to the water-use sectors and to allow the market to work properly.

## **Constant Topography Doctrine:**

Life evolves towards a constantness. That is what ever the wetting regime life evolves to cope and prosper.

Constant topography is important when seeking to avoid moral hazards when environmental watering.

This constantness is also important for irrigation farms and communities as they have evolved over the years to produce things that the reliability of the water entitlements have delivered.

## **Conclusion**

I am against the excessiveness of this water buy back. The nature we have from the topography we have engineered mostly seems to be good. I despair that more is not done to counter the moral hazards over water. It is extremely important that there is separateness between the water use sectors of towns, irrigation and the environment.

Irrigation communities have been bullied by 'the science'. Science based on a dream of what the landscape could be. Mountains of publications champion this MDBA dream as if the scale of these publications validates them. These dreams of the comfortably removed even get to have an economic value in an attempt to weight the economics in MDBA's favour. (Morrison & MacDonald 2010)

The MDBA dream is wrong. This MDB Plan is not about environmental health relative to system collapse. It is about large landscape change. To turn irrigation lands back into scrub lands.

While farmers sit around the kitchen table worrying about how to put food on it, the well fed lounge by the coffee table drinking in landscapes of afar, none better than others, all different, and all a wonder.

## **Reference:**

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