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**From:** Glen Jones  
**Sent:** Friday, 28 January 2011 11:28 AM  
**To:** Windsor, Tony (MP)  
**Subject:** Recreational Boating Industry/Tourism and Leisure Sector Comment for the Parliamentary Enquiry into the Murray - Darling Basin Plan



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Parliamentary Enquiry into the Murray-Darling Basin Plan:

**Comments on the Plan BIASA Submission January 2011**

*The Boating, Tourism and Leisure Sectors extract very, very little of our precious water resource but they rely on the availability of the resource, absolutely, for survival.*

The Federal Government's Australian Institute of Marine Science recently commissioned the internationally regarded commercial/audit/accounting company Deloitte to estimate the total value of the Marine Industry (which includes the significant level of activity which occurs on inland waters, in the main on waters of the Murray Darling Basin) in Australia.

Their findings on the "total measurable value of economic activity of the national marine industry", based on operations for the 2006/07 financial year was \$38Billion. Of this, \$11.6Billion was attributed to "the domestic consumption of tourism goods and services".

**"Believe me, my young friend; there is nothing  
- absolutely nothing half so much worth doing  
- as simply messing about in boats."**

*Kenneth Grahame  
The Wind in the Willows*

**"Only when the last tree has died and the last river been poisoned  
and the last fish been caught will we realise that we can't eat money"**

*Wolf Robe  
Leader of the Cree Indian Nation*

**Alas for the pelicans! Their golden age is past;  
But it has much exceeded in duration that of man.**

**“We saw the water levels beginning to fall at the turn of the century, in the early part of the year 2000.  
The volume of water required by nature, coming down the Murray-Darling system  
into the Lower Reaches of the Murray, the Lakes and the Coorong was slowly but surely failing”.**

Old River Ron  
Ron Greening  
Marina Manager, Mannum



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Please accept our thanks for providing us with an opportunity to make our submission to the Parliamentary Enquiry into the Murray-Darling Basin Plan.

This paper is of several parts:

1. Introduction of the BIASA and its National and International Standing
2. A Measure of the Economic Impact of Recreational Boating in SA
3. The Economic Impact of the Drought and Water Over-extraction on the Tertiary Sector in SA
4. Direct Feedback on the Content of the Guide to the Plan and its Central Issues
5. Summary.

**1. Introduction of Boating Industry Association of South Australia (BIASA)  
and its National and International Standing**

The BIASA is the peak industry body in South Australia for Recreational and Light Commercial Boating and is one of six stakeholders of the national body, the Boating Industries Alliance – Australia (BIAA) the peak industry body in Australia for Recreational and Light Commercial Boating.

We boast intimate connections with the operation of two other industry groups, one that choreographs the national marine export “drive” (in excess of \$1Billion annually), the Australian International Marine Export group (AIMEX) and the other is the Marina Industries Association of Australia (MIAA) which is the national voice for marina and slipway operations within this country (approx 1,000 operators).

All groups are held in the highest regard by industry and by all three levels of Government in Australia and overseas.

The BIAA is a leading member of the International Council of Marine Industry Associations (ICOMIA), our global group, which provides us with daily connections with the marine industries of numerous nations and to the national (and where they exist) State Governments world-wide.

In this country we represent the interests of over 2,000 businesses and over 1,000,000 recreational “boaties”.

All members (of all groups) are required to abide by a strict Code of Ethics.

The Code contains issues connected with commercial dealings and also in guaranteeing “best practice” in matters affecting safety and the natural environment.

Our members are diverse in their interests:

- Boat Builders,
- Boat and Engine Retailers and Service Agencies,
- Industry Development Organisations,
- Industry Training Bodies,
- Insurance and Finance Houses,
- Naval Architects,
- Industry Environment Consulting Groups,
- Sports Boats Associations,
- Charter Operators,
- Hire Operators,
- Chandlery Suppliers,
- Heritage/Historic Wooden Boats builders and re-builders,
- Marina Operators,
- Sail Industry Operators,
- Technical Equipment Development and Distribution Agencies.

Our essential objective is to maintain/improve the sustainability of the Recreational and Light Commercial Boating Industry.

BIASA promotes *holiday and recreational boating* and related marine/riverine activities as safe, environmentally sound and responsible past-times for all members of the community.

In the conduct of our daily business BIASA shares constructive relationships with organisations from all three levels of Government

BIASA has regular contact with organisations positioned within a wide range of portfolios:

- Aboriginal Affairs,
- Consumer Affairs,
- Environment and Heritage,
- Education,
- Emergency Services,
- EPA,
- Natural Resource Management Boards,
- Police,
- Primary Industries,
- Ramsar Taskforce,
- Recreation and Sport,
- River Murray,
- Tourism,
- Treasury,
- Transport and
- Water, Land Biodiversity Conservation and
- Over 40 Local Government Areas.
- Others.

BIASA provides policy advice and consulting services to a number of these agencies and a number of public and private sector working parties and policy groups including several tourism bodies at Local, State and National levels and a range of other policy groups that enfold:

- Bureau of Meteorology Working Parties,
- Fishing Councils,
- International Council of Marine Industry Associations, London
- Marine Parks/Protected Areas,
- National Marine Safety Commission,
- Numerous Drought Amelioration Working Parties,
- Port and Harbours Committees,
- PWC (Jet Ski) Consultative Committees,
- Ramsar,
- SA Boating Facility Advisory Committee whose role is in planning and development of capital facilities/projects in inland and coastal waters
- Several Regional Consultative Committees,
- Standards Australia, various capacities,
- Other

The members of the nearly 400 communities in South Australia, with their reliance on the tourism and leisure sectors, have a close interest in the work of BIASA.

## 2. Measure of the Economic Impact of Recreational Boating in SA

The Federal Government's Australian Institute of Marine Science recently commissioned the internationally regarded commercial/audit/accounting company Deloitte to estimate the total value of the Marine Industry (which includes activities on inland waters) in Australia.

Their findings on the "total measurable value of economic activity of the national marine industry", based on operations for the 2006/07 financial year was \$38Billion. Of this, \$11.6Billion was attributed to "the domestic consumption of tourism goods and services".

Traditionally South Australia is recognised as being a very worthwhile contributor, to the extent of over 11%, of such national figures. Given this "share of the action", the South Australian recreational boating industry's contribution to "total measurable value of economic activity of the national marine industry", for 2006/07 was around \$4.2Billion and of this, \$1.3Billion was attributed, in SA, to "the domestic consumption of tourism goods and services".

This "SA tourism figure of around \$1.3Billion, delivered to the South Australian economy", is largely provided by our State's boaties and our visitors who seek a "water-view and/or to engage in on-water activities" on their "free days"/"taking their weekend" and/or for "annual holiday/s trips".

Our own research, largely funded by the Federal DOTARS organisation, confirms that up to 50% of the \$1.3Billion "tourism and leisure" benefit is delivered to communities along the River, Lakes and Coorong "below Blanchetown/Lock 1".

The economic impact of these "holidays" in South Australia is enormous: the essential sustenance for many Lower River/Lakes communities. Such communities are located "on the water" or within a corridor of 80kms from both sides of the water.

## 3. The Economic Impact of the Drought and Water Over-extraction on the Tertiary Sector in SA

Existing and continuing drought conditions together with "over extraction" practises have, since 2000, had wide-ranging, negative and most significant impacts on lives and livelihoods across much of Australia

From 2000 in South Australia, businesses of the leisure, tourism and recreational sectors and those that support them (and, generally all of them are small, rural family concerns)

- located on/close, within about "one hour's" drive of River Murray/Lakes waters,
- particularly those waters "below" Lock 1 at Blanchetown through to Lakes Albert and Alexandrina the Murray Mouth and Coorong at Goolwa

.. were devastated by the drought conditions (exacerbated by over extraction up-stream) and this continues through to the present day. Although the waters have (temporarily) returned, full recovery for the tourism and leisure industries and the communities which they support will take decades.

On 1 April (note the date!) 2010 The Minister for Tourism, Martin Ferguson AM MP, officially launched the *Impact of Drought on Murray River Tourism Summary Report*, which indicated that the effects on the tourism industry along the River Murray had suffered only negligible effects from the drought. Enquiries made within the Australian Parliament, most notably within the Senate itself, have failed to give any justification to the Minister's figures.

Currently, in the stretch of River Murray Waters below Blanchetown through to the Murray Mouth, it's worth reconfirming that:

- forward houseboat and charter bookings have never been worse,
- the fleet is presently operating at around less than 50% of normal capacity. This has delivered a negative impact to rural communities of around \$15Million annually,
- the use of the (privately) owned houseboat and cruising fleets is also way down, by at least, 50% and this has delivered a negative impact to the rural communities of around \$25Million annually,
- holidays and leisure visitation has seriously declined on the Murray, in the Lakes and in the Coorong as people have anticipated "no water at all or unsafe conditions due to navigation hazards and bank slumping and the like within the River and Lakes and Coorong" and
- with these conditions, and with perceptions of "nowhere to go" boats have been relocated from inland waters of the Lakes and Lower Murray to "more reliable" marinas upstream and to coastal moorings,
- more than 1000 large (non-trailerable, cruising craft) which offer overnight accommodation and/or galley services have gone from Lakes Albert and Alexandrina and
- the economic loss, to rural communities, incorporating aspects of boat servicing/fuelling/ provisioning is estimated to be in the order of \$5Million annually,
- the economic loss delivered by the loss of revenues on revenues/rentals of moorings/berthing in marinas and at informal moorings is estimated to be in the order of \$2Million annually,
- the number of "boating" and other "water based" day trippers and holiday makers is way down with a loss to the "rural economy" of at least \$200Million annually,
- despite the recent investment of millions of dollars on dredging, extending and rebuilding facilities most marinas, slips and ramps became unserviceable,
- although conditions have very recently improved, many of the larger commercial craft, for a period of nearly ten years, were unable to undergo biannual surveys a mandatory (safety) requirement of the State Department of Transport, Energy and Infrastructure,
- although many have been modified, the operation of "cross River ferries" became untenable and road traffic was diverted to those communities where "cross River bridges" exist, to the detriment of the "have – no bridge" communities,
- so far as the tourism, recreation and leisure sectors (incorporating boat sales/boat repair, boat service/boat hire and charter operators) are concerned, things had never been worse.

During the drought little or no consideration had been given to those South Australians of over 70 communities (particularly to those 40 communities located below Lock 1 through to the "new regulator" at Clayton) who essentially relied on recreational, leisure and tourism/holiday activities:

- the heartbreak of the owners, managers, and staff of such businesses, who had spent decades, in some cases generations, in developing their assets and the reputation of their businesses was/and is immeasurable,
- this is not only "to do" with the individual boaties, it takes into account a very large number of people and businesses including:
  - the caterers,
  - the fuellers,
  - the cleaners and the moppers,
  - those who build, sell, service and maintain boats,
  - the local provisioning organisations:
    - the pubs,
    - the dellies,
    - the newsagents,
    - the bakeries,
    - the take-aways,
    - the sellers of fuel and
    - the purveyors of tackle and bait
    - all the others.

This then delivers most unfortunate effects to the banks, the real estate people, the schools and the clubs and the sporting facilities and the churches: across the whole of the community.

Prevailing drought conditions delivered enormous "social and economic difficulties" and many members of the community had no option but to walk away, to join the ranks of the unemployed and the disheartened.

The social costs: the damages to lives and relationships is inestimable.

We do hope that the "new plan" is able to deliver an effective remedy to a dying River and Lakes System and also assist the:

- small,
- family owned,
- rural businesses of the tertiary sector

... which have been so drastically affected by the drought, exacerbated by "upstream" extractions.

#### **4. Direct Feedback on the Content of the Guide to the Plan and its Central Issues**

From the first stages of public consultation on the Guide there has been strong criticism of the lack of detail/lack of concern the plethora of socio-economic issues.

Such analysis, where it does appear fails to recognise the previous adjustments South Australian communities have endured in suffering from the effects of high salinity levels whilst upstream users maintained their over extractions of (good) quality water..

The communities dependent on the health of the Lower River Murray, Lake Albert, Lake Alexandrina and the Coorong, have already felt the most serious of socio-economic impacts.

For a more realistic and for a more equitable result, the BIASA recommends that the MDBA considers the South Australian Government's "Long Term Plan for the Coorong, Lower Lakes and Murray Mouth" which was prepared following extensive consultation with communities "below Blanchetown" through to the Murray Mouth.

Several independently conducted "drought related" socio-economic studies commissioned by the South Australian Government will better inform the Plan.

The need for adequate flows and low levels of pollutants

- BIASA strongly supports the concept of the need for a healthy river system including the *Ramsar* listed Lakes, Coorong and River Murray Mouth.
- BIASA recognises that to achieve a healthy river system a reduction in the current levels of water extraction must occur. This reduction must ensure maximum benefit from reductions and also ensure communities and industries have a sustainable future.
- BIASA believes that the total water extraction target should be based on the science available to the Authority. There is concern that the lower extraction reduction target will be fixed as the best target. We surmise that greater savings than those discussed are required.
- Food security must be at the top of priorities but this can only be achieved with a healthy river system.
- BIASA does not support allowing sea water into Lake Alexandrina or Lake Albert. Numerous Studies have shown that, over the centuries, under natural flow regimes, the intrusion of salt water into Lake Alexandrina occurred only very rarely.
- We must determine a fixed volume of water to establish an "end of river flow" target.
- Water flowing out through the Murray Mouth delivers multiple benefits during its journey down the river including the flushing of salts from the rest of the Murray Darling Basin System. These salts enter the river along its length and

not just in South Australia. The key objective must be to guarantee that under normal conditions a share of all savings accrued by all States must be delivered to the Southern Ocean through the Murray Mouth.

- Water needed to flush salts should be separately accounted for before setting South Australia's sustainable diversion limit and environmental flow requirements.
- The natural flushing, from everyday River Murray flows, of two million tonnes of salt from the MDB System annually is discussed.
- According to recent, credible scientific investigations 10,000GL of water is required on an annual basis, to flush these salts out through the Murray Mouth, but the Guide suggests that 2,000 GL per year is "the" requirement to keep the Murray Mouth open.
- Salinity recordings for the Lower Murray are presently taken at Morgan, over 320 kilometres, by River, from the Murray Mouth. To be critically accurate they should be taken much closer to the Murray Mouth, in any case from a reasonable location below Lock 1.
- BIASA supports those reductions planned in water extractions for regions that have done little to improve their water use efficiency.
- However we do accept that all water users must contribute to the reduction in water extraction, particularly in dry times.
- Clearly all potential savings should be calculated on a catchment by catchment basis.
- The matter of the varying degree to which irrigators will reasonably be able to off-set proposed cuts through improvements in 'on-farm' and delivery system efficiency has not been taken into account. This is of particular significance to South Australian irrigators as the extensive improvements in irrigation infrastructure undertaken in this State makes it very difficult to reasonably make further savings.
- In the Lake Alexandrina area, the Angas-Bremer community has already been dealt a severe cut in water allocations from an historic position of 27GL, to 6.4GL in 1995.
- The Guide states the current diversion limit for SA is set at 665 GL, but the CAP for SA is 719 GL (adjusted for trade). To impose a new cap at the lower level (665GL) unreasonably reduces the State's entitlement by 54 GL. SA is expected to make a saving of 26 -35% on the reduced CDL of 665, but in reality these savings will be 32-40% of the current CAP. Other States have their CDL set at about the level of their existing CAP.
- SA has operated under its CAP since 1968. Interstate extractions have increased from 7,500 to 12,500 GL/ year since 1968.
- The Water Allocation Plan for the Eastern Mt Lofty Ranges was recently approved. The plan acknowledges that it is a healthy catchment system with 93% of its flows benefitting the environment. The question must therefore be asked: *Why should it therefore be asked to bear a cut of 26-35%?* – Again this is unfair.
- There is inadequate recognition of the huge downturn already experienced by the South Australian dairy industry. This is particularly so in relation to the loss of the Lakes dairy industry as a result of the recent low very flows.
- BIASA asks that the Authority plan for further infrastructure improvement programs for "all Basin States" to universally maximise water-use efficiencies with significant funding to be allocated by the Federal Government.
- To ensure equity, and so as not to penalise good business planning, BIASA recommends that a fund be established to provide financial assistance to irrigators who have already made infrastructure changes at their own expense so they can adjust their businesses to new water allocation levels.
- Many irrigators have already undertaken infrastructure improvement actions at their own expense. BIASA believes it would be unfair for irrigators who have never bothered to undertake irrigation infrastructure improvement programs to have such works paid for by the tax payer when others, generally located here in South Australia, have covered the expense themselves.
- Measurements of irrigation water diverted/consumed should be measured from the point of extraction from the River System rather than inside the farm gate.
- Any water savings made from infrastructure programs should contribute to water extraction reduction targets and therefore reduce the extraction reduction demands on current water users.
- Water savings gained from infrastructure improvement programs should not be made available for additional irrigation.
- The size/scope of the levels of reductions in agricultural productivity, on a region by region basis, should be estimated immediately by the MDBA.
- The timing of water extraction cuts should be aligned with infrastructure improvement programs.
- All water savings from infrastructure improvements in all States should be shared across all States.

- States which will not immediately and fully embrace water savings initiatives proposed should not be given the same transition periods as “awarded” to other “time compliant” States.
- BIASA supports a staged approach to water extraction reductions. The impact on communities and businesses would be lessened if they have adequate forward knowledge of local reduction targets and had time to plan business restructuring.
- BIASA encourages the Authority to investigate alternative land uses for regions that will be impacted by water extraction cuts.
- Throughout the document the link between the need for environmental flows and the sustainable management of the River to support all the existing commercial activities is very weak. For example the statement that “*unless action is taken now, the Basin and its communities do not have a long-term future and consequently face irreversible decline in the environmental health and, in turn, the economic strength of the Basin*” needs to be emphasised much more strongly and further defined.
- With all the variabilities which exist, long term averages should never be used to describe the water requirements of an ecological site. The Guide refers to flow regimes but there is no explicit link between flow regimes and long-term averages.
- The use of a single flow volume to describe the environmental water requirements is inappropriate. On their own, long-term averages do not reflect water regimes (timing/frequency/duration) and are not useful. This issue is of particular concern to the Lower Lakes, Coorong and Murray Mouth where a much more explicit definition of the flow regime that will be delivered is essential. It is vital to understand issues such as minimum flows (or 90 percentile flows) and the maximum period between specified medium and high flow events.
- The use of only a long term average/s without the appropriate qualifiers for an end of system flow must be questioned especially without sufficient supporting information. This should include percentile flows and how the historical security of flow compares to the proposed long term improvement.  
At the very least, the Guide must outline how these translate into flow regimes (specifically during periods of water scarcity or low flow periods).
- Consideration of the Long Term Social and Economic Impacts should the plan fail to deliver.
- It is important that the economic and social impact assessments consider the longer term impacts of a failure by the Authority and governments to deliver sustaining environmental flows.
- Industries not directly reliant on irrigation such as the tourism industry, fishing and associated industries are substantial contributors to our Basin economy.
- A study on the social and economic impacts of reducing water allocations must examine both the short term and the long term impacts.
- The short term impact of reduced water allocations would obviously show reduced production and the associated economic and social impacts on basin communities. However a long term social and economic impact assessment may show that the economic and social cost of not cutting diversion limits now may have much larger social and economic impacts in the future.
- If the Authority has used science to set a reduction in sustainable diversion limits then not meeting those limits will result in further declines of the Basin system, which will have much larger negative implications for the longer term. This will impact on all of us including those who are currently opposing allocation reductions.
- BIASA believes the Murray-Darling Basin Authority and communities would benefit by having an Authority office and permanent presence in Goolwa near the Murray Mouth. The Board and staff would see the direct effects of inaction upstream.

## 5. Summary

*As outlined above, the Boating, Tourism and Leisure Sectors extract very, very little of our precious water resource but they rely on the availability of the resource, absolutely, for survival.*

The Federal Government's Australian Institute of Marine Science recently commissioned the internationally regarded commercial/audit/accounting company Deloitte to estimate the total value of the Marine Industry (which includes the significant level of activity which occurs on inland waters, in the main on waters of the Murray Darling Basin) in Australia.

The findings of the "total measurable value of economic activity of the national marine industry", based on operations for the 2006/07 financial year, was \$38Billion. Of this, \$11.6Billion was attributed to "the domestic consumption of tourism goods and services".

Recreational and leisure pursuits deliver an enormous bounty to Basin communities and all reasonable support should be given to ensure that this continues.

We do hope that the "new plan" will provide sustainability to the environment and thereby assist the generally:

- small,
- family owned,
- regionally based businesses of the tertiary sector

... which have been so drastically affected by the drought, exacerbated by "upstream" extractions.

BIASA appreciates the opportunity to provide its comments to the Parliamentary Enquiry into the Murray Darling Plan.

Yours faithfully

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**January 2011**

28

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