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To: [Committee, MDBP \(SEN\)](#)
Subject: Submission On MurrayDarling Basin
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From the time that the Howard Government, in an attempt to garner "green" votes, decided to throw \$10bn at the Murray Darling Basin, the management of the Basin has been a political football. This vote chasing initiative arose as the great Millennium Drought was biting hard and water shortages, the natural consequences of drought, were being erroneously blamed on extractions for irrigation. The term "over-allocation" entered the national lexicon.

In the years preceding the drought there was extensive reform of water regulation throughout the Basin. "The cap" limiting extractions to the 1993/4 level was introduced and John Anderson's National Water Initiative was passed introducing property rights and market trading of water entitlements and water allocations. These were all positive moves and reinforced Australia's international reputation as a leader in effective water management.

It is fundamental to a proper understanding of water management to recognise the difference between entitlements and allocations. Entitlements grant the holder an ongoing share of consumptive water *when there is an allocation*. An entitlement without an allocation is phantom water. For each of the Basin rivers there is a water sharing plan which guides the granting of allocations. These plans give priority to critical human and animal needs, followed by assessed environmental needs and then and only then, are allocations for irrigation extractions even considered.

These principles are applied in a regime of massive natural variability. Our rainfall and run-off is arguably the most variable in the world. Given this variability, asking CSIRO to come up with single figure "Sustainable Diversion Limits" is really nonsense and only demonstrates a fundamental misunderstanding of the nature of our rainfall variability. Averages are really meaningless when one looks at the spreads around the average. Our major dams and the Snowy Scheme diversions have "flattened out" some of this variability, particularly in the southern Murray catchment, and have provided additional water to the west, but compared with the severity of our droughts and the magnitude of our floods, we really only "fiddle at the edges".

Additional dams, with appropriate by-passes to allow small flows to pass, would further assist and would only "hold back" a tiny percentage of our big flood events.

Our ecology is geared to this extraordinarily variable environment and there is no better example than recent years with the severity of the Millennium Drought and the big flood events that followed.

To gain the necessary authority over the States in the Australian federation the Commonwealth relied on international environmental agreements. As a consequence we have a Commonwealth Water Act which lacks proper balance between social, economic and environmental needs. We have tarnished our previous reputation to be world leaders in water management. The Act should be repealed.

Against this backdrop it can be seen that the Government's massive purchase of entitlements ("phantom water") will do nothing for the environment in the lean years, when allocations will be limited or non-existent. But in better years, with the Commonwealth now being by far the biggest holder of entitlements and an active player in the allocation market, we are likely to see decisions made for political reasons at the expense of sound commercially driven decisions, had the entitlements remained in private hands.

The most negative human induced environmental issue in the Millennium Drought was the management of the Lower Lakes in South Australia and the controversial Barrages which close-off the Murray River estuary from the sea.

With the piping of fresh water from upstream to the Lower Lakes environs there is now no reason for the South Australian obsession with keeping the Lakes always fresh to prevail. Failure to open the Barrages during the drought and allow salt water to enter, when there was simply no upstream fresh water available for any purpose, quite unnecessarily allowed the emergence of acid-sulphate soils. The huge evaporation of fresh water from the Lower Lakes is a wicked waste of a precious resource.

The commitment of additional water to the Lower Lakes in the latter part of the Plan negotiations and the target of keeping Lake Alexandrina open to the ocean 90% of the time, is a classic example of the political football

approach at the expense of objective analysis, which has pervaded the whole Murray Darling Basin issue.

Sadly, the management of the Snowy Scheme has been expressly excluded from the MDB deliberations of recent years. There needs to be more focus on the original water storage/irrigation objectives. Improvements could be made without detracting from the all important hydro/electricity production objectives. If Snowy Hydro is to be privatised, a prerequisite should be a new operating agreement which gives greater weight to water storage for food and fibre production.

Failure to achieve a better balance between environmental and economic/social needs will unnecessarily limit Australia's productive capacity at the great expense of future generations and a growing world hungry for additional production.

(David Boyd is the former Chairman and C.E.O. of Clyde Agriculture Limited and a former General Manager of the Rural Division of Dalgety Australia Limited. Clyde was a major irrigator on the Barwon/Darling River in NSW, a dryland grain producer and the nations largest wool producer. Mr. Boyd has had a lifelong interest in inland Australia's water flows and had had first hand experience in rural Queensland,NSW,Victoria, South Australia and Western Australia. He was until recently a Director of Tandou Limited a major irrigator on the Lower Darling and Murrumbidgee Rivers and is Chairman of agricultural research fund the McGarvie Smith Institute.)

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