

MURRAY VALLEY WATER DIVERTERS ADVISORY ASSOCIATION (NSW)

A SUBMISSION TO THE

INQUIRY INTO WATER LICENCES AND RIGHTS

BEING HELD BY THE SENATE ENVIRONMENT, COMMUNICATIONS
AND THE ARTS REFERENCE COMMITTEE

POINT: The ability of the Commonwealth across State borders to sustainably manage water resources in the National interest.

It should be first noted that the credibility of both the previous Coalition government and the current Rudd government is ZERO in relation to the water management issue. This issue has become a political football where decisions are being made against the National interest to curry favour with minority, extreme environmental interests who hold the balance of power.

The first recent instance demonstrating this fact was the Coalition NOT publicising the House of Representatives Interim Report on the MDBC Science behind the Living Murray Initiative released in 2004 shortly before the Federal election that year.

Ten of the eleven across-Party politicians supported the majority view that the science was inadequate to support diverting water from productive use to the environment, wherein flows were only 1 of 22 issues affecting River health and in fact were NOT the main issue. A further damning fact was that the River system was in quite good health, particularly in the middle of a protracted drought wherein under natural conditions much of the River system would have been dry.

From MDBC's own data, key criteria for judging River health are in fact improving. Salinity levels at Morgan in South Australia (the key measuring point on the Murray River) have been declining for in excess of 20 years (are, in fact, at pre WWII levels) and have been consistently around 400 EC units. This is against the World Health Organisation's nominated upper level of 800 EC units for human consumption. Native fish numbers, including Murray Cod, are dramatically up and European Carp numbers are dramatically down. Turbidity levels are static or declining and nutrient levels are static.

Even Peter Cullen, when challenged on a Sunday morning TV program shortly before his death, had to admit and I quote: "The rivers are actually in quite good health".

Ignoring these facts, governments are charging ahead purchasing water and even properties to take water out of production to flush down rivers to address problems that have not been identified.

2.

To show how inept the current Government and Minister are, these water entitlements which have a present zero or very low allocation yield, are being purchased from desperate sellers – NOT willing sellers. This is being done with no thought or concern as to the long-term ramifications of these actions which include:

- . the viability of highly efficient irrigation systems that are in danger of being rendered uneconomic due to stranded assets and the attendant crippling costs for remaining irrigators;
- . the total lack of any socio-economic impact evaluations of the Government's water purchasing initiative on remaining farmers, regional communities, the National effect and finally and most importantly on our Nation's food security.

If these policies are pursued to the extent touted by extreme environmental groups, Australia will become a net importer of food.

We have Governments purchasing at great cost planes, submarines and ships, etc for our National security and yet seem to totally ignore the basic fact that in any such emergency we need to be able to feed ourselves. Imported food will not be an option.

Another blatant nonsense perpetuated on our Nation is the recovery of water to flush down the Snowy River. The much publicised Snowy River only having 1% of its original average natural flow is true for the first small section of approximately 40km below Jindabyne. However, the remaining tributaries are uncaptured and, in fact, 62% of the original average Snowy River flow still goes to the sea. If the first small section below Jindabyne in NSW needs some extra flow, then that is OK but it sure does NOT need over 200,000 ML as is being proposed. This was a totally politically motivated decision unrelated to need or the interests of Australia as a whole.

However, the most blatant misinformation and mischief being visited on our Nation is the failure of all political parties to address the single major loss of resource in the Lower Lakes of Alexandrina and Albert in South Australia. The amount lost is approximately 1 million MLs annually through evaporation from these naturally Estuarine Lakes in this protracted drought.

At the time of construction of Hume Reservoir in the 1930s, it was agreed that barrages could be constructed near Goolwa separating the sea and Coorong from the Lakes and hence converting them into relatively fresh water, shallow lakes of approximately 84,000 hectares (ie 200,000 acres). The attempt by many people in South Australia to claim these Lakes were always fresh water totally ignores common sense and observations documented in Sturt's 1830 diary.

The exposure of this nonsense is the current statement that the barrage boards cannot be removed until a weir is in place near Wellington or seawater will transgress up-river to the Adelaide pumping stations near Mannum. This clearly confirms Sturt's observations of their naturally estuarine status.

3.

If a weir had been constructed near Wellington over 7 years ago, as discussed and agreed with Don Blackmore (then CEO of the MDBC) as a three State Federal initiative, South Australia could have been supplied with all its needs for Adelaide, towns, industry and irrigation and the savings above that would have provided approximately 25% to 30% additional allocation annually for NSW and VIC Murray irrigators who have been enduring low to zero allocations for all this drought sequence.

The end result of this unforgivable mismanagement of this key irrigation resource has seen the elimination of 25% - 30% of horticulture in South Australia and Sunraysia, 75% of the dairy farmers in the three States supplied by the Murray River and the devastation of irrigated cropping and grazing. The highly efficient rice industry is also virtually in mothballs, with the largest rice mill in the Southern Hemisphere at Deniliquin currently closed down.

When normal flows resume post drought, flows could resume into the Lakes and out to sea through the Coorong. The issue regarding the Coorong is almost exclusively a South Australian manufactured issue, with the intercepting of seepage, stream and drainage flows into the southern Coorong to reclaim farmland from a naturally swampy state. The Murray River flows have historically had little impact on the Coorong – as observed by Prof Peter Gell of Adelaide University. To claim so is totally mischievous.

With these few examples of how Government's of all persuasions have failed our Nation as regards water, it is hard to feel confident that commonsense will prevail on water issues until our Nation is finally confronted by the results of this current folly.

The problems initially stemmed from the separation of land and water title in the mistaken belief that this was necessary to move water to its highest value use. There was no need to move water as the soil and climate is suitable throughout the Valley to grow any crop desired.

What transpired was that Government sanctioned tax avoidance MIS schemes were the major purchasers of water, leading to the dismantling of proven irrigation areas and now themselves in receivership.

Another problem is the total failure of any Government to invest in new dams in the Murray Darling Basin – the Dartmouth and Thompson Dams were constructed over 30 years ago. Other sites have been identified and evaluated. Now we have Victoria, instead of building the planned dam on the Mitchell River in Gippsland which has suffered 3 floods in 2 years, piping water from the stressed Goulburn system and constructing a desalination plant which will provide water at approximately 3 times the cost of dam water. It also has attendant power and pollution costs.

The CSIRO Sustainable Yield Assessment is once again modelling and is actually best-guessing with the attendant risk factors similar to the Living Murray modelling which was revealed to have a 90% error factor.

Of the large number of models of varying temperature changes and inflows to 2070, the model selected was of a 2°C temperature increase with related reduction of stream inflows of between 20% and 30%. When their Chairman was challenged on the ABC Country Hour by Libby Price as to why that model was selected, there was deathly silence. However, the projection will be the basis of the new Basin Plan!

CONCLUSION

Unless there is a fundamental shift in government policy on water matters as relates to productive use and environmental needs, I have grave concerns for Australia's irrigation industry and future National food security.

The changes that need to take place are:

- * recognition that water is a public and private good and should NOT be traded like other commodities (ie white goods, cars, etc);
- * money should be made from the use of a water entitlement, NOT from permanent trading of an entitlement – complete separation of land from water was a fundamental error.

There has, of course, been a hidden agenda relating to moves to separate land and water and that is of siphoning water away from irrigated agricultural production of food and fibre and hence making additional water available for urban supply without investing in further major storage infrastructure. This divisive, short-sighted and illogical policy position is currently being enacted in Victoria.

However, new storage infrastructure (ie. Dams) will have to be built to accommodate the water and food production needs of the projected population increase. Thus, in recognition of future urban needs, the environment and of any additional necessary irrigation development in areas with no current water entitlement, such needs should be met by the construction of additional storages on sites already well identified and evaluated as to expenditure as against yield;

- * temporary trading of entitlements from areas enjoying favourable rain events to areas in need should be approved;
- * the false demand for land and water generated by MIS Schemes, which have been geared to making money from tax minimisation and not from the sale of resultant product, should be terminated immediately (including for timber plantations). If any government can't grasp the significance and distortion perpetuated by these Schemes, such as Timbercorp and Great Southern, then that government should not remain in office;

5.

- * recognition that the current talk of over-allocation during a major drought is mischievous and a distortion of the facts. Allocation level is purely a matter of the % reliability of supplying the nominated allocation. If the valley's users are comfortable with that % reliability then it is NOT over-allocated.

Australia's rivers have massive variability between minimum and maximum flows. This is in contrast to the great rivers of other countries.

The Murray River has 39% of its average flow going over the barrages into the sea, plus 6% evaporates from the Lower Lakes. As acknowledged by any reasonable person regarding Sturt's observation that the mouth of the Murray River is where it enters the estuarine Lakes at Wellington, then 45% of average flows goes into the sea. This figure is very close to the approximate 50% that is seen as being a desirable quantity by world standards in relation to a working river. A mere 450,000 MLs of average flow would achieve that goal.

As regards River health and environmental needs of the River and floodplain, they should be properly determined and agreed on by the communities residing in the area – these communities are also most concerned about the long-term health of the system.

As needs are identified, the most cost-effective means of addressing them should be implemented. Then a proper monitoring regime should be put in place to determine the effectiveness of any such measures. NEVER should there be, a nominated volumetric water figure to be taken from productive use prior to the needs and effectiveness being judged, as is now being advocated.

The 2004 House of Representatives Interim Report on the Science behind the Living Murray clearly established this fact, and has not been acted upon.

Australia must take head on the anti-dam crusaders who have been instrumental in government failure to construct any new dams for the last 30 years. We have talk of significant increased population by 2040 and no talk of new water infrastructure in dams. Currently we only harvest 5% of Australia's runoff.

A three-State Federal initiative must address the losses in the Lower Lakes of Alexandrina and Albert with a weir near Wellington in South Australia. This would conserve water for productive use in a drought sequence like the present.

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