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District Council 3
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SUPPLEMENTARY SUBMISSION

TO

THE INQUIRY INTO THE IMPACT OF THE MURRAY DARLING BASIN PLAN IN REGIONAL AUSTRALIA

FEBRUARY 2011

By

United Dairy Farmers of Victoria District Council 3

The United Dairy Farmers of Victoria District Council 3 covers the following areas: Benalla, Cobram, Katandra, Invergordon, Katunga, Nathalia and Strathmerton.

We are all volunteers within the District Council and work to further the issues of our local dairy farming community.

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Introduction:

Our District Council would firstly like to thank the panel for the opportunity to present in Shepparton on 21st January 2011. As we highlighted during our discussions we believe dairy is integral to the viability of irrigated agriculture in Northern Victoria.

Natalie Akers also toured with you throughout Shepparton on 22nd January and this supplementary submission is based on discussions and questions raised during this tour.

The following information is intended to highlight potential solutions the panel could consider as well as outstanding issues associated with the Guide to the Basin Plan.

POTENTIAL SOLUTIONS:

SOLUTION 1: NEW ENGAGEMENT PROCESS:

At a meeting with Murray Darling Basin Water Ministers, the Commonwealth Government and the Murray Darling Basin Authority in December 2010 there was an agreement reached that a new process of engaging with communities should be implemented.

> *"Ministers have heard loud and clear the concerns of Basin communities about the guide to the proposed Basin Plan and the need for greater community involvement in the preparation of the proposed Plan. Ministers agreed to support a new process for the Basin Plan going forward that will more fully involve state governments and Basin communities[1]"*

The UDV District Council believes that new arrangements need to be developed that is community driven and allows community members to have a meaningful say on their future.

We propose that Valley Working Groups be established that represent a cross-section of interests and views within local communities. The working groups in Victoria could include

1) Loddon and Campapse,
2) Murray;
3) Goulburn and Broken;
4) Ovens and Kiewa
5) Wimmera;

The scope of matters for each Valley Group to consider should include a range of technical issues such as:

- Surface and groundwater SDL's
- Water Resource Plans and accreditation tests;
- Water Quality and Salinity Management Plan
- Environmental Watering Plan.

[1] Communiqué 'Murray Darling Basin water ministers meet in Albury, 17-12-10

The Valley groups must be provided with a chance to debate and agree on each of these matters. Groups would focus on SDL's as they have the most potential to impact communities. In relation to surface water SDL's each group could be given the responsibility to propose:

- Environmental outcomes for their valley and how their valley could/should support the environmental health of the whole basin;

Where it is not possible to provide solutions without economic and social impacts, Valley groups could propose projects/investment proposals that their community would accept as suitable tradeoffs.

Solutions prepared by Valley groups could comprise a range of options, not just recommendations for more water. They could include smart ways to decrease the volume required for the environment (e.g.: structural works, water en route, reuse of return flows, carryover, use of water market) and project to recover water (e.g.: farm infrastructure upgrades).

Recommendation: That the Commonwealth and Authority introduce a new engagement process that involves Valley Working Groups.

SOLUTION 2: A WIDER ACKNOWLEDGMENT OF RIVER HEALTH:

To date the Commonwealth and Murray Darling Basin Authority's focus has been on increasing flows within the Basin to improve river health. However there are many other areas that also need to be addressed when trying to improve the overall health of a river.

Back in 2002, the previous Victorian Department of Natural Resources and Environment in conjunction with the 9 Catchment Management Authorities benchmarked the environmental condition of Victoria's major rivers and tributaries. This was the first instance of any such environmental assessment in Australia. An Index of Stream Condition (ISC) was developed that is still applied in Victoria. The ISC contains 5 sub-indices:

1) **Hydrology** (flow volume and seasonality of flow)
2) **Physical Form** (stream bank and bed condition, presence of and access to physical habitat)
3) **Streamside zone** (quality and quantity of streamside vegetation and condition of billabongs)
4) **Water Quality** (nutrient concentration, turbidity, salinity and acidity); and
5) **Aquatic Life**(diversity of macroinvertebrates)

Despite some work on the Sustainable Rivers Audit which looked at 3 of these indices, the current approach by the Authority and Commonwealth only address one of the five river health indices, this being, hydrology. To date there is only Commonwealth funding to buy up water entitlements from willing sellers to increase river flows. Unfortunately, this narrow approach undermines the overall health of the river systems. For example:

Erosion: With no funding to address the 'Physical Form Index' (i.e.: stream bank and bed condition), increased environmental flows will be wasted if erosion exists on sections of the river.

Erosion on river banks;

Re-vegetation: No funding is available to address index four, Streamside zone (quality and quantity of streamside vegetation).

Safeguarding in stream habitat:
Again there is no Commonwealth funding to address Index 5 (aquatic life). Fencing off waterways helps to protect plant and animal populations that live in rivers.

We believe the Commonwealth and Authority need to adopt approaches and funding that also address the physical form of rivers, streamside zones, water quality and aquatic life.

Recommendation: That the Commonwealth and Authority need to adopt integrated approaches and funding that also address the physical form of rivers, streamside zones, water quality and aquatic life, rather than just focusing on hydrology.

Northern Region Sustainable Water Strategy Model:

The Northern Region Sustainable Water Strategy (NRSWS) is a detailed document that outlines the threats to water availability and quality over the next 50 years in Northern Victoria and outlines actions to manage the consequences of drought and climate change. The document's development involved a Consultative Committee and Technical Working Groups over a two year period. A discussion paper was released in January 2008, a draft Strategy in October 2008 and the final document in November 2009.

Given the extensive engagement that occurred with the NRSWS's development, the environmental targets were largely well received. The strategy adopted a seasonally adaptive and integrated management approach to improving environmental values to ensure it is is robust under any climate change scenario. Unfortunately no such approach has been adopted by the MDBA

The NRSWS poses a strong approach to environmental management with three key elements:

1) Targeted recovery and efficient use of environmental water;
2) Complementary river restoration works and measures; and;
3) Integrated and adaptive management of environmental water and works;

This approach therefore addresses the 5 indices of the Index of Stream Condition outlined above.

Environmental Targets in the Northern Region Sustainable Water Strategy:

The environmental targets posed in the NRSWS are significantly less than those posed by the MDBA:

	NRSWS Envt Targets[2]:	**MDBA SDL**	**Difference**
Goulburn	250GL	442-593 GL	192-343
Murray	0 GL	442-592 GL	442-592
Broken	25GL *this target is to be achieved by consumptive water en route, not purchase)*	5.6-6.1 GL[3]	Not Applicable
Loddon	12GL	38-43 GL	26-31
Campaspe	18GL	40-52 GL	22-34
Ovens	0 GL	10-11 GL[3]	10-11
Kiewa	0 GL	4.4-4.9 GL[3]	4.4-4.9

Disappointingly after 2 years of consultation with the NRSWS and its focus on advice on the issues within the Murray Darling Basin (see chapter 3), this document has been overshadowed by the MDBA Plan. The community therefore feels disillusioned as after years of consultation and finally coming to agreement, these environmental targets have been void by the MDBA.

[2] Northern Region Sustainable Water Strategy, Pg 134
[3] Given water use is low on these systems and the SDL's are seeking a reduction in use, it is more likely that double the amount of water will have to be purchased on these systems to achieve the MDBA's SDL.

SOLUTION 3: ENGINEERING WORKS FOR THE ENVIRONMENT:

Just as farmers are becoming more efficient with improved irrigation infrastructure, so too can the environment. Engineering solutions are available to the environment to create water efficiencies, but unfortunately no funding exists for these works.

After consulting with the Department of Sustainability of Environment, the following is a list of works that could occur in Victoria to create environmental water efficiencies. These include:

1. **Lindsay Island**

- This project involves a range of engineering solutions that would see a 1000GL environmental water requirement reduce to just 92GL, that is a 908GL reduction.

2. **Watering existing National Parks and completing Living Murray Icon Sites**

- This project will water over 5,000 ha of floodplain, including River Red Gum communities, and permanent and semi-permanent wetlands. The proposed works include construction of a large weir across the Lindsay River that will generate broadscale floodplain inundation when the weir is closed; construction of 8 smaller regulators to retain water on the floodplain (i.e. prevent water draining back to the River Murray)

3. **Watering new River Red Gum National Parks**

This project will allow environmental watering of a new Lower Goulburn River Red Gum National Park whilst minimising the impact of flooding on private land by the development of a leveed floodway of approximately 10,500 ha and potentially buy up to 9,700 ha of land from the relevant landholders.

4. **Murray-Sunset National Park extension and Living Murray Icon Site: Watering Wallpolla Island floodplain**

- This project will water around 1,000 ha of floodplain, including River Red Gum communities and wetlands, as well as increasing flowing habitat by 50 km. The proposed works include construction of up to 7 regulators on creeks and wetlands that can be operated improve the extent and duration of natural floods. Construction of a 3 km long channel is required to generate additional inflows into the new national park. The channel will connect the Lock 10 weir pool to the east end of upper Wallpolla Island

5. **New Gunbower National Park: watering the floodplain**

- This project will water the new Gunbower National Park, protecting threatened Black Box and Grey Box woodland. The proposed works include construction of an offtake regulator and small channel (50 m long) to deliver water from the Torrumbarry weir pool to the upstream areas of Gunbower Forest.

6. **Kerang Wetlands Ramsar site: Capitalising environmental opportunities from irrigation modernisation**

- This project involves the construction of bypass channels around the Ramsar listed Kerang Lakes that are part of the Torrumbarry irrigation area. This will deliver water savings, improve system operation and provide significant environmental improvements through a more natural wetting and drying cycle in the Kerang Lakes.

7. **Improving outcomes in Gunbower Forest floodplain by providing access for native fish throughout Gunbower Creek**

- This project will provide fish passage over the entire length of Gunbower Creek (120 km). It includes construction of two fishways on Gunbower Creek

8. **Broken River: Capitalising environmental outcomes from modernisation of irrigation infrastructure on the Broken River – 285 km made available for fish migration**

- This project will provide fish passage at Gowangardie weir and open 285 km of high value habitat from Lake Nillahcootie to the River Murray for threatened species such as the Murray Cod and Silver perch.

9. **Barmah Forest: Improving outcomes in the new Barmah Forest National Park by providing access for fish between the floodplain and the River Murray.**

- This project involves the construction of a fishway on the Gulf Creek regulator to improve fish passage and prevent stranding behind the regulator as well as the removal of an artificial levee and construction of a regulator at Kynmer Creek

12. Ovens River: Capitalising environmental outcomes from modernisation of irrigation infrastructure on the Ovens River – 795km made available for fish migration

- This project will modernise the Tea Garden Creek weir to provide water infrastructure to best practice standards for irrigation supply and enable fish passage for significant threatened and iconic native fish species

Recommendation: That the Commonwealth makes funds available for Engineering solutions for the environment.

SOLUTION 4: INVESTMENT IN IRRIGATION INFRASTRUCTURE

To date the Commonwealth has spent $437 million out of a total budget of $5.8 billion for irrigation infrastructure. Much investment is still required to meet the projected budget.

Investment in off farm Irrigation Infrastructure:

The upgrade of our irrigation infrastructure through the Northern Victorian Irrigation Renewal Project (NVIRP) has provided a boost to our regional economy and will create many benefits to farmers as well as providing additional water to the environment, Benefits to farmers include:

- Consistent Flow: upgraded meters will provide a consistent flow rate onto farms;
- Faster Flow: upgraded meters will also deliver faster flows, creating efficiencies;
- Shorter Water Ordering time: Prior to moderinsation farmers would have to order water four days in advance, a modernised system has reduced orders to within 24 hours;
- Irrigation start up by remote control: Starting and stopping irrigations by remote control enables farmers to schedule irrigations to commence in the middle of the night without getting out of bed.

Stage One of the NVIRP has been funded by the Victorian Government ($600million), Melbourne Water ($300 million) and G-MW customers ($100 million) and will focus on modernising the network of backbone channels. Stage One also involves connecting 30% of farms to the backbone.

Stage two will provide 70 percent of the connections of farms to backbone, yet, unfortunately, the roll out of Stage Two remains uncertain. On 6 November 2010 the Prime Minister and the Victorian Premier, jointly announced that the Commonwealth will provide up to $953 million of the total budget of approximately $1 billion for NVIRP Stage 2, subject to successful contract negotiations.

To date these contract negotiations remain unresolved and Stage Two has not commenced. The release of the MDBA guide has created much uncertainty and the failure by the Commonwealth Government to commit to Stage Two is heightening anxiety among the farming community.

We believe the Commonwealth must resolve the contractual negotiations for Stage Two as a matter of urgency in an effort to restore faith within the farming community.

Recommendation: That the Commonwealth finalize the contractual negotiations for Stage Two of NVIRP.

Investment in on-farm irrigation efficiencies:

The Commonwealth's $300 million On-Farm Irrigation Efficiency Program is aimed at assisting irrigators to modernise their on-farm irrigation infrastructure while returning water savings to the environment.

On 19 March 2010 the Minister announced in-principle funding approval for six projects from round one of the program. Applicants who received in-principle funding approval were:

- Australian Processing Tomato Research Council Inc - $11,710,000 (GST excl.)
- Goulburn Broken Catchment Management Authority - $25,820,000 (GST excl.)
- Lachlan Catchment Management Authority - $3,846,000 (GST excl.)
- Murray Irrigation Limited - $32,786,000 (GST excl.)
- Ricegrowers Association of Australia - $24,179,000 (GST excl.)
- South Australian Murray-Darling Basin Natural Resources Management - $1,659,000 (GST excl.)

$200 million is still to be invested in the program and many efficiencies are possible.

Given this program quickly became oversubscribed the Victorian Government announced a further $16 million for on-farm works in June 2010 through the Northern Victorian Irrigation Renewal Project.

Currently 84 on-farm projects are in progress as part of the Commonwealth funding and a further 77 projects are in progress from the Victorian Government funding.

There is enormous potential for on-farm works to create water savings and Victoria is currently putting together a second application for Round Two on-farm funding from the Commonwealth.

A consortium led by the Goulburn Broken CMA is proposing a five year project that could yield an additional 200 GL of savings with 100GL transferred to the environment.

Recommendation: That the Commonwealth support Victorian applications for on-farm works.

SOLUTION 5: RE-EVALUATE THE MERITS OF THE COMMONWEALTH WATER BUYBACK PROGRAM:

As highlighted in our previous submission, Buyback of entitlement from irrigators is not the best long-term approach to gain more water for the environment. Buyback does not reimburse the real value of the water – it relies on desperate sellers and pushes most of the costs of adjustment onto regional communities and tax payers.

Irrigated properties generate five times the value of production as do dryland properties. Taking irrigated properties out of an area undermines the viability of the community. Buy-back may put cash in the hands of irrigators. But most of the capital goes straight to the banks to reduce debt. It is not spent in the community reinvesting in alternative enterprises.

To date the Commonwealth has spent $1.6billion out of a total budget of $3.1 billion in buying up water entitlements from willing sellers.

Outlined overleaf are the latest figures produced by the Commonwealth Government regarding their buyback scheme. It is interesting to compare the volumes of water purchased against the last five and ten years of allocations (see table below).

290,115ML of water has been purchased from Victoria out of a total of 954,548 ML from the buyback scheme. The high reliability of Victorian water is evidenced by the fact that based on the last 5 years of allocations this 290,115ML would have provided 55% of the environment's water and based on the last 10 years of allocations Victoria would have provided 48.5% of the environment's water.

STATE	**Total ML purchased**	**Av last 5 yrs allocation**	**% of contribution to environment**	**Av. last 10 yrs allocation**	**% of contribution to environment**
QLD	6832	2255	1%	2255	0.5%
NSW	603,678	113,582	35%	194,950	43%
VIC	290,115	177,163	55%	219,070	48.5%
SA	53,923	29,118	9%	35,589	8%
TOTAL	954,548	322,388		451,864	

A more detailed table on the average allocations of each system is provided overleaf.

The last column in the table overleaf also outlines the value for money achieved by the Commonwealth when the volume of water purchased from each system is multiplied by the average price paid and then divided by expected annual volume. The highlights some alarming figures.

- The Commonwealth has effectively paid $6895.62 per megalitre for Qld River Borders water when compared with its expected annual volume to the environment each year;

- The Commonwealth has effectively paid $6219.48 per megalitre for NSW Gwydir general security when compared with its expected annual volume to the environment each year;

- The Commonwealth has effectively paid between $1,477.79 to $3,019.05 per megalitre for NSW General Security when compared with its expected annual volume to the environment each year;

- The Commonwealth has paid significantly less for Victorian low reliability water shares which carry a similar reliability to NSW general security. A range of $559.98 to $829.09 was paid for low reliability water shares when compared with its expected annual volume to the environment each year;

- Victoria's high reliability water shares which represent one of the most secure and reliable products in the basin was paid an average of $2174.11 to $2,419.78 when compared with its expected annual volume to the environment each year. This is well short of the $6895 paid for Queensland medium priority water.

Impacts on the Water Market:

Since 1991, a little over 400GL has permanently traded out of Northern Victoria, 290 GL has left in the last three years through the Commonwealth water buyback program. This represents 72% of water leaving the region in the last three years despite the water market being in operation for 20 years. This dramatic jump clearly highlights the dominance of the Commonwealth in the water market and its ability to completely change how the market operates. This makes it extremely difficult for irrigators to use the market to help manage business risks. It also causes acceleration in the pace of change in irrigation areas which the Commonwealth Government does not seem to want to understand or manage.

State	Catchment	Entitlement Type	Secured Purchases (ML)	Expected Av annual volume of water for envt (ML)	Av. price paid 2008-09 ($/ML)	Last 5 yrs Allocation %	Allocation volume (based on last 5 yrs)	Last 10 yrs allocation %	Allocation volume (based on last 10 yrs)	Value for Money when LTCE factored
Qld	QLD Border Rivers	Medium Priority	6,832	2,255	$2,276	33%	2,255	33%	2,255	$6,895.62
QLD TOTAL			**6832**	**2255**			**2,255**		**2,255**	
NSW	Gwydir	General security	88,520	31,867	$2,239	12%	10,622	17%	15,048	$6,219.48
NSW	Gwydir	Supplementary	16,324	3,102	NA	19%	3,102	19%	3,102	
NSW	Barwon-Darling	Unregulated	22,273	22,273	$836	50%	11,137	50%	11,137	$836.00
NSW	Warrego(a)	Unregulated	8,106	8,106	NA	50%	4,053	50%	4,053	
NSW	Namoi	General security	6,203	4,776	$2,050	17%	1,055	31%	1,923	$2,662.51
NSW	Macquarie	General security	57,631	24,205	$1,268	15%	8,645	31%	17,866	$3,019.05
NSW	Macquarie	Supplementary	1,888	397	$161	21%	396	21%	396	$765.66
NSW	Lachlan	High security	300	300	NA	10%	30	10%	30	
NSW	Lachlan	General security	81,671	34,302	$683	5%	4,084	18%	14,701	$1,626.18
NSW	Murrumbidgee	General security	102,953	65,890	$975	27%	27,797	42%	43,240	$1,523.44
NSW	Murrumbidgee	Supplementary	20,821	2,915	$218	14%	2,915	14%	2,915	$1,557.11
NSW	Murray	NSW General security - above choke	157,640	127,688	$1,281	20%	31,528	41%	64,632	$1,581.49
NSW	Murray	NSW General security - below choke	35,157	28,477	$1,197	20%	7,031	41%	14,414	$1,477.79
NSW	Murray	NSW High security - below choke	386	367	$2,248	82%	317	91%	351	$2,364.38
NSW	NSW Other	Various	3805	1457	N/A	30%	1,142	30%	1,142	
NSW TOTAL			**603678**	**356122**			**113,582**		**194,950**	**$0.00**

State	Catchment	Entitlement Type	Secured Purchases (ML)	Expected Av annual volume of water for envt (ML)	Av. price paid 2008-09 ($/ML)	Last 5 yrs Allocation %	Allocation volume (based on last 5 yrs)	Last 10 yrs allocation %	Allocation volume (based on last 10 yrs)	Value for Money when LTCE factored
Vic	Campaspe	High reliability	5,710	5,425	$2,299	10%	571	49%	2,798	$2,419.78
Vic	Goulburn-Broken	High reliability	118,846	112,904	$2,235	58%	68,931	75%	89,135	$2,352.63
Vic	Goulburn-Broken	Low reliability	10,271	3,595	$196	0%	0	0%	0	$559.98
Vic	Loddon	High reliability	1,614	1533	$2,065	22%	355	53%	855	$2,174.11
Vic	Loddon	Low Reliability	644	174	$200	0%	0	0%	0	$740.23
Vic	Ovens	High reliability	50	48	N/A	96%	48	96%	48	
Vic	Murray	VIC above Choke - High reliability	39,113	37,157	$2,121	75%	29,335	87%	34,028	$2,232.65
Vic	Murray	VIC below Choke - High reliability	102,274	97,160	$2,213	75%	76,706	87%	88,978	$2,329.48
Vic	Murray	VIC above Choke - Low reliability	5,406	1,297	$193	9%	487	27%	1,460	$804.44
Vic	Murray	VIC below Choke - Low reliability	5,762	1,383	$199	9%	519	27%	1,556	$829.09
Vic other			425	221	n/a	50%	213	50%	213	
VIC TOTAL			**290,115**	**260,897**			**177,163**		**219,070**	**$0.00**
SA	Murray	SA High security	53,923	48,530	$2,242	54%	29,118	66%	35,589	$2,491.15
SA TOTAL			**53923**	**48530**			**29,118**		**35,589**	
TOTAL			**954,548**	**667,804**						

SOLUTION 6: CLARIFY THE COMMONWEALTH POSITION ON COMPULSORY ACQUISITION:

On the 10th February 2011, Tony Burke warned in Parliament that that the government could be forced to compulsorily acquire water entitlements if the Murray-Darling reform process is delayed.

He stated:

" That means they have created a situation whereby being negligent in buyback in the coming years, they would land Australians in a situation of potential compulsory acquisition in eight years' time.''

This statement is contrary to the Water Act, section 255 (Pg 259) where compulsory acquisition is ruled out.

"To avoid doubt, nothing in:

a) *This Act; or*
b) *The regulation; or any other instrument made under this Act;*
c) *Any other instrument made under this act:*
Authorizes or allows the Commonwealth, the Authority, the Commonwealth Environmental Water Holder or any other agency of the Commonwealth to compulsorily acquire a water access right or an interest in a water access right".

Such comments by the Minister only fuel further uncertainty among the farming community regarding these water reforms.

Recommendation: That the Commonwealth clarifies its position regarding the compulsory acquisition of water.

SOLUTION 7: RE-EVALUATE THE SCIENCE AND ASSUMPTIONS UNDERPINNING THE SUSTAINABLE DIVERSION LIMITS:

The Commonwealth Water Act states that the Minister must:

"Act on the best available scientific knowledge[4]"

As highlighted in our earlier submission, the SDL's outlined in the Guide to the Basin Plan are not based on the best available science. Surface water SDL's have been based on a simplistic volumetric calculation of 60-80% of average streamflow under natural conditions leaving each system in the Basin. Groundwater SDL's are based on the amount of water used between 2003-2008.

Much work is required to ensure the SDL's actually achieve a desired environmental benefit under all climate scenarios.

In the event of dry years the MDBA is proposing that State Government's through their Water Resource Plan Accreditation Test would be required to transfer water from consumptive users to the environment. No socio-economic modeling has occurred on a reduction in allocations, models have only examined reductions in entitlements. The regional implications are likely to be far greater with cuts to allocations as farmers cannot plan their business with any certainty in fear the environment will receive its share of the water in dry times when they need it the most.

The SDL's assume a return to 'pre-development'. The MDBA have failed to acknowledge that the Basin is highly regulated and a return to a pre-development environment is simply not possible.

[4] Water Act 2007, S.21 4b

APPENDIX A: The Dairy Industry and Allocations:

It should be noted that the allocations outlined below are end of season allocations which is the final allocation at the end of the irrigation season in May of each year.

Unfortunately during the drought years, the first weeks/months of the irrigation season which start in August have opened with a zero allocation, which has left the dairy industry at a significant disadvantage.

Dairy Farms in the region are predominately spring calvers and therefore need optimal pasture growth during the spring. The inability to grow grass through lack of irrigation water during this period has forced farmers to supplementary feed and remaining pasture has died off. The requirement to buy in large amounts of feed has significantly increased farmers debt loads.

Seasonal Allocations 1996-97 – 2010-11				
	Murray (Vic)		Goulburn (Vic)	
	High Reliability	Low Reliability	High Reliability	Low Reliability
1996/97	100%	100%	100%	100%
1997/98	100%	30%	100%	20%
1998/99	100%	100%	100%	0%
1999/2000	100%	90%	100%	0
2000/01	100%	100%	100%	0
2001/02	100%	100%	100%	0
2002/03	100%	29%	57%	0
2003/04	100%	0	100%	0
2004/05	100%	0	100%	0
2005/06	100%	44%	100%	0
2006/07	95%	0	29%	0
2007/08	43%	0	57%	0
2008/09	35%	0	32%	0
2009/10	100%	0	71%	0
2010/11	100%		100%	

APPENDIX B: Surface Water 'products' across the Murray Darling Basin

NSW	Victoria	Queensland	South Australia
Water most likely to be targeted by Commonwealth Buyback			
High reliability 587,892	High reliability 2,278,094		High Security irrigation licences 565 056
General Security 6,313,064			
	Low reliability 769,935		
Regulated river supplementary licences 1,170,000		Supplemented 235,000	
Water least likely to be targeted by Commonwealth Buyback			
Unregulated river licences 687,474	Section 51, supply by agreements or allowances 284,200	Unsupplemented 700,600	
Stock and Domestic 86,037			Stock and Domestic 8704
Towns 128,391	Bulk Entitlements held by urban, environment and losses) 632,098.7		Urban, Industrial, Recreation 189,942
Conveyance Losses 673,000			Environment 58,566
NSW TOTAL 9,645,858	**VIC TOTAL 3,964,327.7**	**QLD TOTAL 935,600**	**SA TOTAL 824,268**
BASIN TOTAL	**15,370,053.7ML**		

The following table presents an approximate of existing entitlements across the Basin. Unfortunately the MDBA has not articulated the number of entitlements within the Basin, rather they refer to 'current water course diversions' or water used by each state. See below:

Current Water Course Diversions (Pg 133 of the Guide to the Basin Plan)	
NSW	5,643GL
VIC	3,583GL
SA	665GL
QLD	1,012GL
ACT	39GL
TOTAL	**10,94GL2**

The above tables highlight the confusion among the farming community given the MDBA have not phrased SDL's as a reduction in entitlement, rather they are a reduction in water diverted or 'used'.

This will see systems where use is low being targeted further as the purchase of 'inactive water' or 'sleepers', does not actually reduce the level of use the MDBA is seeking.

MDBA State Cap Diversions:

The MDBA in their April 2010 report 'Water Audit Monitoring Report 2008–09 - Report of the Murray-Darling Basin Authority on the Cap on Diversions' set out in Appendix E the average amount of water (GL) each state can divert each year.

A summary is provided below:

STATE	**CAP (GL)**
NSW	6235 GL
VIC	4017 GL
SA	594
QLD	338
ACT	40
TOTAL	**11224GL**

The cap allowances in the table above highlight the following:

- NSW can use 2000GL more than Victoria under the Cap;
- Victoria's total entitlement and annual limit under the cap are similar which reflects the high reliability of Victorian water and its attractiveness to the Commonwealth through its water buyback scheme.
- As highlighted in the previous section NSW has 9,645,858ML of entitlement which far surpasses the amount of water that can be used each year under the cap (i.e. 6235 GL).