



**Murray Valley
Winegrowers' Inc**

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Submission No:	559
Date Received:	19/1/11
Secretary:	SL

PRESENTATION

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

By The

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON
REGIONAL AUSTRALIA

Mildura
January 19 2011

ABOUT MURRAY VALLEY WINEGROWERS INC (MVW)

Murray Valley Winegrowers Inc (MVW) is the peak regional body representing the interests of wine grape growers in the Murray–Darling and Swan Hill wine regions in the Murray Valley zone of NSW and Victoria. The Murray Valley Winegrowers organisational structure includes Board representation from the Mildura Region Winegrowers Association, Robinvale and District Wine Grape Growers Association, and Swan Hill Wine Region Grape Growers Association, whose membership is drawn from vineyard owners in both NSW and Victoria. MVW represents 610 independent (non-winery) growers.

The 2 wine regions that comprise the Murray Valley zone – Murray-Darling and Swan Hill – are the second largest wine grape producing zone in Australia behind the Riverland (SA). The Murray Valley wine regions produced a total of 328,000 tonnes in 2010, including 273,000 tonnes of wine grapes purchased from independent (non-winery) growers at a farm gate value of \$80 million – representing approximately 20% of national wine grape production. Annual farm gate value of wine grape grapes grown by independent growers in the Murray Valley has been as high as \$200 million (2006). Production from the approximately 18,000 hectares of vineyards in the Murray Valley relies entirely on irrigation water from the Murray and Darling Rivers.

MVW is a member of the National Irrigators Council.

COMMENTS ON THE DRAFT MURRAY DARLING BASIN PLAN & WATER REFORM WITHIN THE BASIN

1: MVW fully supports the submission to this Inquiry by the National Irrigators Council and commends that submission for further consideration by the Committee. In addition, makes a number of further points for the Committee’s consideration:

2: MVW is very critical of the process employed by the Murray Darling Basin Authority (MDBA) in developing and releasing its Guide To The Draft Basin Plan – lessons that should be learnt in the development of the final Basin Plan. In particular:

- Little account of socio-economic impacts on Basin irrigation industries and communities was taken in the development of the Plan, and the MDBA has subsequently admitted that much more needs to be done to fully assess this impact. The ABARE Equalisation Model economic impact assessment of lost production values and employment impacts used by the MDBA has been shown to be deeply flawed in assessing impacts on individual communities as well as the short to mid-term impacts across the Basin.
- There was totally insufficient communication with irrigation companies, industries, irrigators and Basin communities in regard to assessing socio-economic impacts and utilising regional knowledge of water management and the environment to hone the data on which the Draft Plan was developed.

- There has been insufficient time for industries and regional communities to effectively assess and respond to the large volume of technical data supporting the Draft Plan – such that the regional wine grape sector and other industry members of the Murray Valley Horticulture Alliance cannot respond in any meaningful way, and as a consequence cannot support the Draft Plan in its current form.
- The MDBA has taken little account of the additional water savings available through investment in either water distribution and management efficiencies (water infrastructure spending) nor the savings available through smart environmental works and targeted environmental watering plans. Smart environmental engineering works are assumed to deliver 600 GL in water savings in the Basin but the real savings might well be double this figure or more. No account of this is taken in the Draft Plan or the setting of SDLs.

3: MVW is concerned that the scientific data and the assumptions on which the Draft Plan is based are also deeply flawed:

- Insufficient time has been allowed to fully assess the scientific data and assumptions that underpin the Draft Plan.
- Both the Victorian and NSW Government have called the data and the scientific assumptions used as the basis of the projected range of Sustainable Diversion Limits (SDLs) into serious question. Far more work is need to assess and prove up the data on which these assumptions have been made by the MDBA.
- The size and regularity of the above bank flows across the Basin appear far beyond the scope that climatic conditions have been able to deliver over the last 110 years of records. The flows determined by the MDBA cannot in a number of instances be delivered without serious flood impacts on irrigated agriculture / horticulture, other industries and communities.
- The assumptions are based on 2004 to 2007 data regarding environmental assessments, in the middle of a decade long drought – the driest conditions on record across much of the Basin. The extraordinary river flows and floods experienced in the Basin since October 2010 bring the need for reassessment of this data into play.

4: MVW rejects the haste with which the MDBA is progressing the further drafting of the Basin Plan:

- The depth of community concerns with the Plan process; the apparent flaws in the MDBA scientific assumptions underpinning the Draft Plan; the disparity in the legal opinion regarding the basis of the Plan parameters as determined against the provisions of the Water Act 2007; and the fundamentally altered environmental conditions now prevailing in the Basin – mean that time is available to revisit the Plan development process to get the Basin Plan and reform of water management within the Basin right. The Authority is proceeding with a limited agenda and with indecent haste, and to continue to do so will

destroy the both the credibility of the process and the Authority as the future manager of the Basin.

RECOMMENDATIONS FOR ACTION

Recommendation 1: Slow down the timeframe for the delivery of the final Basin Plan to get the Plan right and to allow further investigation of:

- The scientific data and assumptions on which the MDBA are basing the SDLs and required clawback of water for the environment.
- The full socio economic impacts on Basin irrigators, industries and regional communities.
- The potential water savings from smart environmental engineering works.
- The potential water savings from targeted delivery of water to the key environmental assets within the Basin.

Recommendation 2: Clearly establish the triple bottom line approach as the driver for the development of the final Basin Plan, to reduce the likelihood of legal challenge of the Plan and to deliver certainty around the process by which the Government will make its final determinations regarding Basin water reform and the Basin Plan:

- By way of amendments to the Water Act 2007 or via other legislative means.

FOR FURTHER INFORMATION REGARDING THIS PRESENTATION

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