

2015 Review

The MDBA proposes a review in 2015 to re-examine the SDL in light of environmental works and measures, changes to river management and advances in scientific knowledge.

The SDL may be increased or decreased as a result.

Parliament must approve any changes before the SDL comes into legal effect in 2019.

Filling the Gap to the SDL

SA's 2009 baseline diversion level has been set at 665GL. This reflects SA voluntarily capping its extractions below the 724GL it was allowed under the Cap and 42GL towards the Living Murray Initiative.

The draft Basin Plan proposes to reduce SA's diversions by another 101GL, or 15%, to meet catchment needs.

The gap to meet the catchment target has been narrowed to 22GL since 2009 through buybacks and some infrastructure savings.

However, in addition, the 971GL shared target for the southern Basin will be sourced from any catchment, including the SA Murray.

South Australia and the draft Basin Plan

Total annual average surface flows across the Basin: 32,800 GL

2009 Baseline Diversion Level (BDL): 13,623 GL
(incl. 2720GL interceptions such as plantations and farm dams)

Proposed Sustainable Diversion Limit (SDL): 10,873 GL
(SDL comes into legal effect in 2019).

Water recovery target by 2019: 2750 GL

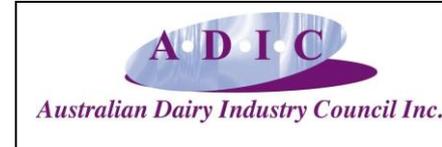
- 21% of 2009 Baseline Diversion Level
- 25% of 2009 Baseline Diversion Level, excluding 2720GL in interceptions.

Water recovered pre-2009 baseline: 1213GL
(incl. Living Murray, Barmah Forest, Snowy River)

Water recovered since 2009 baseline: 1282 GL

- 1068GL through buyback and infrastructure
- 214GL NVIRP Stage 2 deal (planned by 2017).

Gap: 1468 GL still to be recovered by 2019.



Australian Dairy Industry Council Inc.

Water recovery targets The Guide vs the draft Plan

Basin	Guide 3000 GL	Draft Plan	% change
North	630	390	-38
Southern connected	2274	2289	+0.6

Water recovery for catchment and downstream needs

The 2750GL water recovery target is broken into two components:

Catchment targets: A target has been set for each catchment to recover water to meet its own environmental needs from its own diversions.

Shared targets: In addition to the catchment targets, the MDBA proposes to recover a further 971 GL and 143 GL in the southern and northern Basin respectively, to meet 'downstream' needs such as the lower lakes, Coorong and Murray mouth.

Water to meet the respective shared targets may be sourced from anywhere in any catchment that the Government deems cost-effective to do so.

Water recovery targets in major southern Basin catchments

	Diversions GL (excl. interceptions)	Catchment target GL	Catchment % of diversions	971 GL downstream (if shared pro-rata)*	Catchment and shared as % of diversions
Murrumbidgee	2000	320	16%	256	29%
NSW Murray	1708	262	15%	214	28%
Vic Murray	1662	253	15%	202	27%
Goulburn	1580	344	22%	192	34%
Campaspe	113	18	16%	14	28%
Loddon	89	12	14%	11	25%
SA Murray	665	101	15%	83	28%

*The draft Basin Plan does not propose to recover water to meet the 971GL target for downstream needs on a pro-rata basis across catchments. Instead, the Government intends to source this water from anywhere it deems cost-effective and efficient to do so.

Dairy in South Australia and the draft Basin Plan

A reliable and affordable water supply of suitable quality is essential for dairy farms in the lower Murray River, Eastern Mount Lofty Ranges and the lower lakes.

The Basin Plan is important to this end, as additional water for the environment, combined with improved river operations and works to use environmental water efficiently and effectively, will also help sustain a healthy dairy industry.

In particular, funding is needed to repair the Murray Swamps levee banks, and drought-damaged farm land. If the levees fail, the swamps will revert to backwaters evaporating an average 63GL a year; this will undermine efforts to increase environmental flows into the lakes.

The swamps would also become a major source of salinity and acidification polluting the Murray River and the lakes, if they are no longer irrigated and managed to control acid sulphate soil formation and a saline water table.

SA dairy farmers, like those upstream in Victoria and NSW, will also be vulnerable to rising costs if the Basin Plan leads to large reductions in the total consumptive pool available for irrigation, trade and carryover in drought years.

Dairy farmers in the SA Murray, Eastern Mount Lofty Ranges and lakes need:

1. More flexibility in Commonwealth funding to allow repairs to drought damage in the Murray Swamps, as an environmental works measure to prevent salinity and soil acidification which in turn would pollute the Murray River and lakes.
2. Commonwealth funding for a lowflow bypass trial in the Eastern Mount Lofty Ranges, to increase the duration and size of streamflows.
3. Access to a reliable and affordable alternative water source for farms that used to take water from Lake Albert.
4. The Murray River operated to maintain a minimum 0.5m height above sea level past Murray Bridge, to ensure water access for farms on the Murray Swamps and integrity of levee banks and hydrological balance.
5. Salinity levels no greater than 1000EC at Wellington and 1500EC in the lakes.

Australian Dairy Industry Council position

The draft Basin Plan has not effectively balanced environmental needs with those of the community and the economy.

1. SDL set to meet catchment environmental needs.
2. 2015 review to assess SDL in light of environmental works and measures, improved river operations and new knowledge in meeting downstream needs.
3. No further general buyback tenders in the southern system. Buyback limited to strategic purchases linked to community-led efficiency projects.
4. More funding to extend \$300 million On-Farm Irrigation Efficiency Program.
5. More funding for modernisation programs in the NSW Murray and Murrumbidgee, and rehabilitation of the Murray Swamps in SA.
6. Environmental objectives to be achieved using:
 - Environmental works for greater water efficiency and improved flows.
 - Improved river operations.

Dairy in the SA Basin 2011 (Murray, EMLR and lakes)

- Total dairy farms: 76
- Total milk production: 183 million litres
- Total factories: 6 (Jervois, Murray Bridge, BD Farms, Alexandrina Cheese, Udder Delights, Woodside Cheese Wrights)
- Total employment (on and off farm): 1000
- Farmgate value of milk: \$69.5 million
- Total value-add of dairy product: \$173.7 million
- Major markets: Adelaide and international export.

Dairy farmers have proved flexible users of water, steadily adapting their practices to produce more milk with less water over the last 20 years.

However, record low allocations during the drought forced farmers into high-cost, temporary coping strategies that drove up farm debts.

In 2011/12, with the recovery in water storages, good export demand growth and improved milk prices, dairy farmers in the SA part of the Basin are now well-placed to rebuild herds, reduce farm production costs, reduce debt and increase milk production.

How well the region recovers depends on how the Basin Plan affects future water availability and affordability, and whether Government water recovery programs assist or hinder the structural adjustment.