

The Water Channel

ADF's channel of communication to the farmer

9 March 2012

Buybacks to resume in the southern connected system

On 23 February, Tony Burke announced a '[targeted water purchase initiative](#)' in the southern system. The move was widely condemned as a breach of promise to suspend buyback till 2013 by the [VFF](#), [NFF](#), [NIC](#), [Victorian and NSW Governments](#), and even a [SA Liberal Senator](#).

Mr Burke says the two-step buyback process, unlike the previous general tenders, is targeting water held outside irrigation districts, unless sellers provide proof from the system operator that the sale is consistent with modernization plans.

However, the [criteria](#) reveals that this targeted initiative has much in common with the previous general buybacks in making a bad socio-economic outcome even worse.

Like the previous tenders, SEWPac is still only seeking High Reliability water in Victoria, and General Security and High Security in the NSW Murray and Murrumbidgee. It includes 'non-water user limit licences' in the Goulburn and Murray systems; many of these are still held and used by GMID irrigators despite being formally disassociated from the property title for the purposes of tracking trade under the 4% cap.

How does this fit with the draft Basin Plan? The MDBA's [socio-economic modelling](#) assumes pro-rata purchases across all entitlement types – and warns that a bias to high-reliability will disproportionately affect high-value industries like dairy and horticulture.

The result is even more serious flow-on socio-economic effects. This modelling remains relevant because the southern system recovery volumes are virtually the same in the Guide and the draft Plan.

As it stands, the Commonwealth has already bought 17% of Victoria's high reliability water in the Goulburn and Vic Murray systems, 15.5% of SA's high security, 13% of NSW Murray general security and 7.2% of Murrumbidgee General Security, compared with negligible purchases of Vic low reliability and NSW supplementary water.

Meetings

Canberra: Since the last newsletter, ADIC chair and ADF President Chris Griffin and Basin taskforce chair Daryl Hoey met with Greens Senator Sarah Hansen-Young and Coalition water spokesman Senator Barnaby Joyce in Canberra on 28 February. Upcoming Canberra meetings later in March include the Minister for Regional Australia, Simon Crean.

Craig Knowles: Daryl and taskforce member Malcolm Holm attended an invitation-only meeting with MDBA chair Craig Knowles on 21 February in Cobram. The MDBA chair reassured attendees that the draft Plan allows for environmental works, improved rivers operation etc to be taken into account to meet the SDLs.

Actually, the draft Plan does NOT allow this. Chapter 6 specifies that the 2750GL must be recovered only in the form of 'held' entitlements or 'planned environmental water' (defined as a converted water access right). Paras 6.06 and 6.07 allow the MDBA to recognise and recommend that the other options might mean less entitlement is needed, but changing the Plan accordingly is still subject to the 2015 review, which could take two years to run its course.

In the meantime, the Federal Government would rightly say it is legally obliged to continue buying back water as the priority over environmental works etc.

For more information on the draft Basin Plan's implications, visit the [DA](#) website.

The Basin Plan explained, using cows

You own three cows and a bull

You sell one cow to the Government and invest the money in Euro bonds (hence becoming an investor until the Euro collapses).

You lose one cow when it is washed down the river after a controlled overbank environmental watering gets out of control.

Your last cow dies because there is no feed after the flood. You bury it in the ground (and earn \$2 in carbon credits).

Your bull gets lonely in the absence of females and runs away to join the circus.

Without a herd your farm goes bust.

The MDBA determines that the net job outcome for the Basin is +2 (one new investor, one new carbon farmer, one new circus performer and only one less dairy farmer)

You are left surrounded by bull*.

2400GL vs 2800GL vs 3200GL

The MDBA has released two reports comparing recovery of 2400GL vs 2800GL vs 3200GL, in terms of [hydrology modelling](#) and determining an [environmentally sustainable level of take](#). The modelling assumes all water is recovered by buying entitlements, and no changes in current river and barrages operations, or Coorong drainage.

In short, the reports show:

- Marginal, if any, difference in volumes flowing over the barrages and out the Murray mouth.
- Marginal, if any, difference, in extent of area watered in key sites.
- All 3 scenarios prevent lower lakes dropping below sea level, avoiding acidification risks.
- 2400GL meets Coorong south lagoon salinity targets in all but 1 year, and north lagoon targets in all but 3 years (compared to all but 2 in northern lagoon in 2800GL scenario)
- Marginal differences in salt volumes exported through the Murray mouth.
- Main differences are in years between high flow watering events for upstream key environmental sites, such as Chowilla and Hattah Lakes. For example:
 - Chowilla wetlands: 10 years (2400GL) vs 8 years (2800GL)
 - Chowilla red gum forests and bird breeding: 11 years (2400GL) vs 8 years (2800GL)
 - Hattah lakes wetlands: 12 years (2400GL) vs 8 years (2800GL)
 - Hattah lakes red gum forests and bird breeding: 21 years (2400GL) vs 21 years (2800GL)

Speak up and be heard!

MDBA Open Houses:

- Renmark: Friday 9 March, 1:00-4:00pm - The Greek Orthodox Community Hall, Twenty First St, Renmark
- Deniliquin: Thursday 15 March, 10:00-11:30am - *Mountbatten Room, [Deniliquin RSL](#)*, 72 End Street, Deni
- Echuca: Thursday 15 March, 2:30-4:00pm - *[Port of Echuca Motel](#)*, 465 High St, Echuca
- Forbes: Monday 19 March, 3:30-5:00pm - *Forbes Town Hall, Harold Street, Forbes*
- Dubbo: Tues 20 Mar, 12:00-1:30pm - *[Dubbo Regional Theatre & Convention Centre](#)*, 155 Darling St, Dubbo

Write a submission to the MDBA by 16 April. It doesn't have to be long – just an email with a few lines on what you think needs to change will be plenty: submissions@mdba.gov.au

Send an email or write to your federal member – even just a few lines will have an effect. Contact details can be found at <http://www.aph.gov.au/house/members/index.htm>

Send an email or write to your State Water Minister:

Peter Walsh (Vic) peter.walsh@parliament.vic.gov.au
Katrina Hodgkinson (NSW) office@hodgkinson.minister.nsw.gov.au
Paul Caica (SA) colton@parliament.sa.gov.au
Vicky Darling (Qld) environment@ministerial.qld.gov.au

ADIC Basin Plan Taskforce contacts					
Daryl Hoey	Taskforce Chairman	0407 582 982	Jeff Odgers	Victoria Team Chairman	0427 846 714
Ross McInnes	Qld Team Chairman	0427 671 428	David Basham	South Australia Team Chairman	0417 865 962
Malcolm Holm	NSW Team Chairman	0418 662 180	Beverley Wallace	ADF Policy Manager	03 8621 4200

Australian Dairy Industry Council and Australian Dairy Farmers 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.