

2015 Review

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

The SDLs may be increased or decreased as a result.

Parliament must approve any changes before the SDLs come into legal effect in 2019.

Filling the Gap to the SDL

The Condamine-Balonne valley has the largest gap (95GL) among northern Basin catchments to meet its proposed surface water recovery target.

Dairy farms are expected to be relatively unaffected because they are concentrated in the upper Condamine; the Commonwealth is more likely to concentrate its surface water recovery effort downstream around St George and Dirranbandi, as these areas are closer to the Narran Lakes and other sites identified for environmental watering.

However, the proposed cut in groundwater extraction of around 43% poses a serious risk for the dairy industry (see next page).

Queensland and the draft Basin Plan

Northern Basin (northern NSW and Queensland)

2009 surface Baseline Diversion Level (BDL): 3858 GL
(incl. 1318GL interceptions such as plantations and farm dams)



Proposed surface Sustainable Diversion Limit (SDL): 3468 GL
(SDL comes into legal effect in 2019).

Surface water recovery target by 2019: 390 GL

- 10% of 2009 Baseline Diversion Level
- 15.3% of 2009 Baseline Diversion Level, excluding 1318GL in interceptions.

Water recovered pre-2009 baseline: 83GL
(Cap to NSW Water Sharing Plans in Gwydir, Namoi and Macquarie-Castlereagh catchments)

Water recovered since 2009 baseline: 165GL

- 125GL through buyback and infrastructure
- 11GL gifted by Qld Government
- 29GL through NSW river and wetland programs

Gap: 225GL still to be recovered by 2019.

Surface 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

Surface water recovery for catchment and downstream needs

The northern Basin's 390GL 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 target: In addition to catchment targets, the MDBA plans to recover a further 143GL, to meet 'downstream' needs such as SA's lower lakes and the Murray mouth.

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

Surface water recovery targets in northern Basin catchments

GL	Diversions	Catchment target	% of diversions	Recovery to 30/9/11	Gap
Warrego	45	8	18%	8	-
Nebine	6	1	16%	1	-
Condamine-Balonne	713	100	14%	5	95
Barwon-Darling	198	6	3%	22	-16
Border Rivers	450	15	3%	7	8
Namoi	343	10	3%	5	5
Macquarie-Castlereagh	424	65	15%	66	-1
Gwydir	325	42	13%	42	-

*The draft Basin Plan does not propose to recover water to meet the 143GL 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 Queensland, the draft Plan and groundwater

Groundwater is the major water source for dairy in Queensland's Basin catchments, with some supplementary supply from rivers and creeks.

As it stands, a substantial increase in milk supply is required in the medium term to meet expected market demand growth, with at least a 50% increase in the size of existing farms.

However, the draft Basin Plan proposes to reduce groundwater use by about 43% in the upper Condamine River valley.

A reduction of this magnitude poses a large risk for current production capacity and will constrain future development in one of Queensland's more important milk producing regions.

Queensland dairy farmers already contend with higher-cost, daily fresh milk production systems than other States, and have been directly and progressively affected by the ongoing supermarket milk price war.

Proposed Groundwater Sustainable Diversion Limits	BDL 2009 (GL)	SDL (GL)	Gap (GL)	%
Upper Condamine Alluvium (Central Condamine Alluvium GS67a)	81.4	46	35	-43%
Upper Condamine Alluvium (Tributaries GS67b)	45.5	40.5	5	-11%

Dairy farmers in the Queensland part of the Murray Darling Basin need:

1. Detailed environmental watering plans to show that water acquired for the environment is being used efficiently
2. Groundwater entitlements to meet the environmental targets will be purchased from willing sellers, the same as for surface water entitlements.
3. Stock and domestic water permanently exempted from any reductions to meet the Basin Plan's sustainable diversion limits for ground or surface water.

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 Queensland Murray Darling Basin (2011):

- Total dairy farms: 168
- Total milk production: 168 million litres
- Total employment (on and off farm): 1250
- Farmgate value of milk: \$89 million
- Total value of dairy product: \$222.5 million
- Major markets: Brisbane and SE Queensland

Dairy in the Qld Basin: a snapshot

Dairy is concentrated in the North and South Darling Downs, corresponding with the upper Condamine-Balonne and Border Rivers catchments in the draft Basin Plan.

About 30% of Queensland's dairy farms are in this area, supplying regional drinking milk and fresh product markets, including Brisbane and the Gold Coast.

All these farms rely to some extent on irrigation to maintain production. Groundwater is the major water source, with some supplementary supply from rivers and creeks.

Even farms using little irrigation still rely on the Basin's water for stock and domestic purposes (cows drink between 120 and 150 litres of water a day – and up to 80% more on hot days) or indirectly via the feed purchased for their dairies.