

The Water Channel

ADF's channel of communication to the farmer

29 March 2012

MDBA slideshow – playing down the effects

The slide show says diversions will only fall by 19%, compared with the 70% reduction in water use in the drought.

ADF disputes these facts.

Fact 1: The 2750GL water recovery target equates to a 21% reduction in total diversions across the Basin, if water used by timber plantations and stored in farm dams is included in the baseline.

But as no one is suggesting pulling out plantations or farm dams, 2750GL equates to a 25% reduction on diversions for all other uses – ie, agriculture, mining, town supply and manufacturing.

Fact 2: The 70% fall in water use was in only one drought year (2008/09), whereas the proposed 25% reduction under the Basin Plan is permanent and ongoing. A more accurate comparison is the annual average 39% drop in water allocations across the southern system in the last five drought years (2005-2009) against the slide show's implied permanent 30% reduction in water for irrigated agriculture.

In short, the water available for agriculture every year under the Basin Plan will be only marginally more than the amount available during the drought's worst five years.

Smoke and mirrors fails to ease bank concerns

Regional banks in the last week of February were treated to an epic 88-slide MDBA presentation on socio-economic modelling.

Feedback from those who attended suggests the MDBA staff did their best, but did not convince them that stripping 2750GL from agricultural production will have next to no impact on jobs, property values or agricultural productivity in regional communities.

A city based bank manager or politician might be left with the mistaken impression there is nothing to worry about.

For example, two early slides show the value of milk production did not fall much from 2001-2008, even though water usage did.

We hope the MDBA verbally balances this rosy scenario by pointing out the volume of milk produced in the southern Basin fell 33% during the same period. And at the same time, average debt rose more than 40% as dairy farmers struggled with increased feed and other costs to keep their herds going.

The MDBA also neglected to balance the big jump in farm gate milk prices from 2005/06 to 2007/08 that helped buffer farm income as the drought drove down milk production, with more recent data showing how the price crashed mid-way through the 2008/09 season along with water allocations and milk production.

The Basin Plan at ABARES Outlook 2012

An afternoon session at the recent ABARES Outlook conference was devoted to progress on water reform in the Murray Darling Basin on 6 March, including presentations by MDBA CEO [Rhondda Dickson](#) and SEWPaC's [Mary Hardwood](#).

The SEWPaC presentation included a graphic showing that the Department expects to get 600GL from infrastructure savings and the rest of the 2750GL (ie. 2150GL) from buybacks.

SEWPaC has the budget: \$1.2 billion remains in the buyback kitty to 2015, and the Gillard Government has pledged another \$1.4 billion for buyback to 2019 to close any remaining gap to meet the SDLs.

And SEWPaC has the incentive: the draft Plan's Chapter 6 specifies that the 2750GL be met only by acquiring water in the form of held entitlements or converted water access rights.

This might change in 2017, depending on the 2015 review. But in the meantime, Chapter 6 effectively discourages investment in alternative works and measures to achieve the same environmental outcomes using less water.

Meetings

Murray Darling Basin Authority: On 15 March, MDBA chair Craig Knowles, MDBA CEO Rhondda Dickson and SEWPaC's Mary Harwood met with irrigator, local government and business representatives in stakeholder roundtables in Deniliquin and Echuca. ADIC Basin taskforce chair Daryl Hoey and taskforce member Jeff Odgers attended to press home the dairy industry's concerns and position.

Canberra: on 22 March, ADIC Basin Taskforce chair Daryl Hoey met with Regional Australia Minister Simon Crean; shadow environment minister, Greg Hunt; and water policy adviser to the Water Minister, Sean Halse.

United Dairyfarmers Victoria/VFF: UDV President Kerry Callow and ADIC Basin taskforce members Jeff Odgers and Daryl Hoey briefed District Councils 1, 2, and 3 on the Basin Plan's implications, and the industry's response. Meeting were held in Tatura, Cohuna and Numurkah over 21-22 March.

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

Who said what?

[Riverland irrigators](#) want to cap the volume recovered from SA at the State's 101GL catchment target, in recognition of SA's early adoption of a cap on extractions while diversions continued to rise in other States before the Murray Cap was imposed in 1994.

[SA Labor Premier Jay Weatherill](#) said 2750GL was not enough, but stopped short of saying how much more he wanted, unlike [The Greens](#) who told a rally in Canberra on 21 March that they are the only political party fighting for a better Basin Plan, defined as returning 4000GL to the environment.

[The Australian Conservation Foundation](#) claimed ABS data proved house prices rose more in Basin regions where rivers were deemed healthy, than in catchments rated as in poor health. Seems a dubious correlation given the analysis only goes to 2010, and that median prices in regions are often statistically meaningless because too few houses and properties change hands.

Speak up and be heard!

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 State Water Minister – tell them what you want in the Plan:

- 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
- Yet to be announced (Qld)

MDBA public meeting:

Adelaide

Tuesday 3 April 2012
10am – 1 pm
Adelaide Convention Centre
North Terrace

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.

Basin Plan Taskforce contacts		
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