



Australian Dairy Industry Council Inc.

Australian Dairy Industry Council

Position paper – Murray-Darling Basin draft plan

8 November 2011

The following paper outlines the Australian Dairy Industry Council's concern with the yet-to-be released Murray-Darling Basin Authority draft Basin plan.

The primary tests that the dairy industry will apply to the draft Basin Plan is whether it allows for a vibrant and growing agricultural sector to operate across the Basin, and whether it facilitates regional growth and sustainability by giving equal weighting to economic, social and environmental objectives.

The Federal Water Minister, Tony Burke, committed to as much over a year ago, when he promised to deliver a Basin Plan that optimised economic, social and environmental outcomes. As recently as 14 July, the Murray-Darling Basin Authority chair, Craig Knowles, repeated this promise, telling Queensland Country Life newspaper, "We will deliver on a triple bottom line, my position has not changed."

The dairy industry accepted these commitments in good faith -- only to discover now, at this late stage, that the Murray-Darling Basin Authority has not sought to optimise economic, social and environmental outcomes in developing the impending draft Basin Plan after all.

The authority's own analysis identifies severe and lasting decline in irrigation regions, firstly if the water recovery target is set at the proposed 2800 billion litres, and secondly if the Federal Government continues to buy large volumes of water to meet this target.

Reduced water availability on that scale means irrigated industries such as dairy operating under permanent 'drought' conditions. Milk production would not recover, much less grow. Mooted alternatives, such as dryland farming, would not replace the lost jobs, local processing and economic activity associated with intensive irrigation. This is unacceptable and unnecessary.

The dairy industry requires the Federal Government and Murray-Darling Basin Authority to deliver on their triple bottom line promises. This means:

- 1. A water recovery target calibrated to optimise economic, social and environmental outcomes**

Based on the advice to hand, no attempt has been made in the draft Basin Plan to optimise outcomes on a triple bottom line basis. We call on the Government to amend the proposed Sustainable Diversion Limit (SDL) based on new methodologies incorporating the above.

- 2. No more water buyback tenders**

Across the Basin farmers have achieved considerable water savings and made substantial contributions to future environmental water through the buyback scheme and other projects.

The Federal Government has already bought more than 1000 billion litres (GL) of former irrigation entitlement for the environment. This is in addition to 800 billion litres (GL) saved for the environment before 2009.

The ADIC believes that any future in-valley needs should be met through co-investment with irrigators in programs such as the Northern Victoria Irrigation Renewal Project (NVIRP) and the NSW Private Irrigation Infrastructure Operators Program (PIIOP)..

Any remaining requirements should be met by the Australian and State Governments via river operations and environmental works.



Australian Dairy Industry Council Inc.

Further buyback tenders are unnecessary when more water can be saved by increased investment in more water-efficient irrigation systems.

Further buyback tenders are also unnecessary when the desired environmental outcomes can be achieved by more timely releases from dams and investment in works that enable key sites to be flooded with as little as a tenth of the water otherwise needed.

Water recovery and structural adjustment must also go hand in hand. This includes flexible funding for targeted voluntary buyouts linked to closing irrigation channels, and additional funding for strategic 'buybacks' where farmers transfer a portion of their entitlement to the environment in return for government investment in new, more water-efficient systems on their farms.

3. An appropriate mid-way review

The ADIC believes that irrigators and their communities remain fully exposed to a potential reduction in the Sustainable Diversion Limit (SDL) at the time of this mid-way review.

Given the amount of water already recovered and the clear economic and social impacts of this change, the dairy industry calls on the Federal Government to commit to no further reductions in the consumptive pool.

If a review is to be undertaken then the onus must be placed on river operations and environmental works to generate the desired environmental outcomes.

Government agencies must maximise environmental outcomes using the huge amount of water already recovered, plus the additional benefits from future projects and environmental watering plans.

ADIC contacts:

Daryl Hoey
Chair ADIC Basin Response Taskforce
Mb: 0407 582 982

Chris Griffin
Chair ADIC
Mb: 0402 846 239

Summary

- An enormous reform has already occurred in Murray-Darling Basin.
- The Federal Government has already bought more than 1000 billion litres (GL) of former irrigation entitlement for the environment. This is in addition to 800 billion litres (GL) in savings for the environment before 2009.
- The Federal Government and Murray Darling Basin Authority have not met their commitment to a triple bottom line plan.
- Irrigators remain exposed to future massive reductions in the consumptive pool.
- In-valley targets for environmental flow should be achieved in the southern basin via co-investment in water-saving infrastructure with irrigators.
- Governments should commit to meeting any further environmental outcomes via improvements to river operations and environmental works.