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MURRAY VALLEY WATER DIVERTERS ADVISORY ASSOCIATION

The Cap within the Murray Darling Basin, in its interim form, was accepted by the industry as a necessary step to allow time to assess the current position of the Basin. While there may be some justification for the imposition of a permanent Cap on extractions across the Basin, we are of the opinion that this has been a very "blunt" approach, based on the assumption that the current level of the Cap is a minimum.

The long term sustainability of the communities dependant on this resource is imperative. We support a scientific appraisal of the current state of the Basin, conducted within clearly established guidelines, on a Valley by Valley basis. In the absence of a base state of the river appraisal there is nothing to benchmark future audits of the resource against.

The current management of the Murray River has seen a reduction over the past decade in the level of in stream salinity, [ based on MDBC data ] particularly in South Australia and the lower reaches within New South Wales and Victoria. The allocation of 100g/l to the Barmah/Millewa Forest is another major contribution to the environment. It is easy to make broad statements with regard to perceived conditions based on emotion and localised degradation. As the draft document concedes "pre regulation" river flows were seasonal with boom and bust flows, and even no flow at all. The environment "pre regulation" was a very adaptive one. The mouth of the Murray would have ceased to flow on many occasions, but was not as prone to closure as the current position due to the barrages which stop the tidal nature of flows in that region. The mouth was also cleared by the enormous floods which were received in high rainfall years as a result of the combined flows received from the Murray, Darling and tributaries. These floods caused havoc as they inundated enormous tracts of land changing the course of the river over time, and eroding valuable topsoil in their path. The regulation of the system has often made it possible to reduce the extreme nature of these events. In spite of this, river flooding still occurs due to the enormous volumes which can flow when seasonal conditions are above average, right across the catchment. The resource captured, however, is of enormous benefit to the environment, communities and industry both primary and secondary, which are totally dependant upon it for their long term survival. Regulation guarantees that to this point of time, since the establishment of regulation the river has always had a base flow.

We are very mindful of the need for a balance between extractive use and the environment, but there are linkages between the two which are often ignored. Those who in the year 2000 live along the Murray, with the exception of some of our senior citizens, have no comprehension of the conditions which existed at the time of European settlement, some of which have already been mentioned above. The Murray was on occasions nothing more than a series of waterholes, stock became bogged in the river bed and were killed by what we now know to be blue green algae outbreaks. The alternatives to a highly regulated river flow are neither pristine or ecologically desirable despite the contentions of some within our community.

The balanced approach to resource management is a very difficult task. This has led to the "precautionary principle" approach. The level at which this is applied is open to manipulation by those who perceive that large reductions in resource use will naturally be good for the river.

MURRAY VALLEY WATER DIVERTERS ADVISORY ASSOCIATION

Page 2.

The Project Board in their draft document clearly indicate that further reductions in the Cap level are proposed.

The social and economic impacts of the Cap have been felt right across the Basin. Marsden and Jacob in their assessment of the economic and social impact made passing reference to the plethora of change which has been experienced by irrigators in the past decade:- ie. water reform, deregulation, low commodity prices, below average rainfall, increasing cost of inputs. They took care, however, to indicate that it was these other pressures, and not the Cap, which had created the most impact. The Cap belong in this list as it is the cumulative impact of all these issues which effect the long term viability of an irrigation enterprise. The tendency in all assessments of this kind is to look at each issue in isolation which gives a distorted outcome.

Marsden and Jacob in their lengthy report have failed to demonstrate the true position within the Basin. They have based their report on the transfer of resource to high value crops, viticulture and dairying. Obviously if everyone took this approach overproduction in these sectors, which are currently very profitable, would soon become marginal. The philosophy of picking winners is a high risk activity. A balance in resource use is far more viable in the long term.

To highlight resource transfer, as an indication of the success of the Cap in economic terms, is to highlight the cost of this resource transfer to the new enterprise. In many cases This has been very substantial, particularly in viticulture, where we are already seeing a reduction in gross margins as a result of increasing production.

There is also reference to the way in which the combination of the Cap and the water reform process have increased pressure for more efficient water use. The irrigation industry has always been keen to adopt more efficient methods of water use:- ie Laser grading, recycling, drip and spray irrigation and Land and Water Management Plans. These efficiency gains are made at substantial capital cost. In order to service these requirements resource security and financial viability are imperative .

The current annual review of Cap compliance fails to acknowledge the variability of seasonal conditions and resource availability. A longer term revolving average approach, combined with continuous accounting at irrigator level would give a far more flexible method of long term Cap compliance. If this was adopted it would make compliance more manageable to the individual irrigator and State entity. The current retrospective annual assessment fails to give a long term view of trends, giving rather a "knee jerk" reaction to seasonal variability in demand. This sends a distorted public view of compliance to the community at large. Cap assessment at state level should always be on a Valley bases. At no stage should the activity of one Valley be allowed to impact on the downstream Valleys.

A secure property right at individual irrigator level is the central aspect of any Cap discussion.

MURRAY VALLEY WATER DIVERTERS ADVISORY ASSOCIATION

Page 3.

In summary Murray Valley Water Diverters Advisory Association submit the following:-

- . The interim Cap was excepted as necessary to assess the state of the river and avoid reduced erosion of security.
- . The long term sustainability of the Basin is imperative.
- . We need a sound scientific base line appraisal of the current state of the Basin on a Valley by Valley basis to benchmark future audits against.
- . Much has already been done to improve river health eg. reduced salinity in the lower reaches of the Basin, 100g/l for Barmah/ Millewa forest.
- . "Regulation" has helped greatly to ensure base flows when compared to "Pre Regulation".
- . A balanced approach to resource management is difficult. The application of the "precautionary principle" is open to interpretation.
- . Marsden and Jacob fail to take into account the cumulative impact of all aspect of water and market place reform including the Cap.  
They also use the dubious economic premiss of picking winners, as indicative of a sound indicator. Todays winners are tomorrows disasters.  
Efficient water use is an ongoing process, much has been accomplished, this will only continue in an environment of resource and economic security
- . The current method of Annual retrospective Cap compliance needs to be amended to take account of seasonal and resource variability. A longer term rolling average combined with s continuous accounting at irrigator level would give far more flexibility and workable outcome.
- . At no stage should any Valley be allowed to impact on the Cap compliance of downstream . Valleys.
- . A secure property right at individual irrigator level is the central point of any Cap deliberations.

  
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