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M.D.C.

7th July 2000

Review of the Operation of the Cap
Attn: Dr Tony Meleod, Project Manager
Murray Darling Basin Commission
GPO Box 409
Canberra ACT 2601

Dear Sir

Herewith my comments on the Draft Review of the Operation of the Cap.
I have always been in complete agreement with the introduction of the Cap.

The implementation of the cap has however introduced huge inequities in the distribution of irrigation water.

I have a 300 hectare grassland farm in the Mitta Mitta valley of North East Victoria, with no Mitta River frontage and therefore no right of extraction. I have only a stock and domestic extraction license for 4 Mgl.

If all farm dam irrigation is curtailed under the cap, ie farm runoff is included in the jurisdiction of the cap it would make any future development of irrigation here too expensive for almost any enterprise. This is because all costs of development and purchase of water right would be combined in the initial outlay. This move will severely depress the value of my land, where there is no irrigation license, while water prices rise. 12 years ago I purchased this high rainfall property in preference to flat dry country solely because of the water falling on my head and the long term potential to store and distribute water without long term problems like rising water tables and salinity. Under the cap it seems that irrigation will continue and increase in those flat dry areas where the above problems are the greatest. Not only that but the practice is effectively subsidized with public money (for example \$40m + to patch up the Hume Dam, \$XXm to combat salinity). Under this regime land will become cheap and expendable and water will take the place of property.

The Equity issue that I refer to is that if the cap curtails farm dam development, existing irrigators will have effectively stolen water that falls on upper catchment farms. This could give rise to large compensation claims.

In this area a large farm dam would contain 20 mgl of water. Regulated waterway extraction licenses go to over 1000 mgl. However the upper catchment farmers building farm dams are being cited as the ones potentially emptying the river systems.

If farm dam water is to be included in the cap jurisdiction Equity needs to be restored by making some farm dam water available from the current "sales" pool or from enforced savings in the current wasteful, regulated, distribution system. It is my opinion that the amounts would be small but the effects very far reaching.

Colin M. Teek.

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