

122 Frome Street, Adelaide SA 5000  
PO Box 6014, Halifax Street, Adelaide 5000  
Telephone (08) 8232 5555 Facsimile (08) 8232 1311

MDBC FA 0 533  
Corr. Id. 19414

  
**SOUTH AUSTRALIAN  
FARMERS FEDERATION**

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14 JUL 2000  
M.D.B.C.

**Memorandum**

**TO: Dr Tony McLeod**  
**Project Manager, Murray-Darling Basin Commission**

**FROM: Tiffany McArthur**  
**Manager, Policy and Membership, SA Farmers Federation**

**SUBJECT: Review of the Operation of the Cap**

**DATE: 12 July 2000**

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Dear Dr McLeod

Please find SA Farmers Federation's submission on the Operation of the Cap attached (as emailed 12 July 2000).

We apologise for the lateness of our submission, and hope you can consider our comments on this document.

Please contact me on (08) 8232 5555 if you have any queries.

Yours sincerely

  
for Tiffany McArthur



**SOUTH AUSTRALIAN  
FARMERS FEDERATION**

**SUBMISSION TO THE  
MURRAY - DARLING BASIN COMMISSION**

*On the*  
**REVIEW OF THE OPERATION OF THE CAP**

PREPARED BY THE  
**SOUTH AUSTRALIAN  
FARMERS FEDERATION**

*Assisting South Australian farmers achieve sustainable  
profitability by providing representation, leadership and services  
to members, and foster a unified voice to promote farming  
interests.*

July 2000

## THE SOUTH AUSTRALIAN FARMERS FEDERATION

*The South Australian Farmers Federation is the State's principal farmer organisation, with a proud history of representation and support for farmers dating back more than one hundred years.*

*The organisation represents over 5000 members involved in grains, horticulture, wine grapes, meat, wool, dairying, and intensive industries.*

*We have a dedicated team of people who work in partnership with government departments, statutory authorities, politicians, business, the media and, most importantly, our members to assist in the development of the rural sector.*

*The team consists of specialists with extensive knowledge in areas as diverse as natural resource management, community services, commerce, industrial relations, education and training, finance, farm profitability, debt mediation and trade.*

*The Federation developed a strategic plan to ensure we remain relevant to our members and to secure our position as "the authoritative voice of a united farming industry."*

## **REVIEW OF THE OPERATION OF THE CAP**

### **INTRODUCTION**

The South Australian Farmers Federation (the Federation) welcomes the opportunity to make a submission on the Cap Project Board's report, *Review of the Operation of the Cap*.

The long-term sustainability of the Murray Darling Basin is very important for the livelihoods of many of our farmer members, as well as the State of South Australia. In this sense we are committed to retaining the Cap and its current operation for economic, social and environment reasons.

We strongly support the draft report prepared by the Project Board to the Ministerial Council, and commend the Board on its efforts in producing a high quality report.

We support the continuation of the operation of the Cap, particularly in relation to equity and compliance provisions. Diversions should be included in the Cap and be kept to a minimum to ensure continuing flows downstream.

We were very disappointed with the actions of New South Wales in breaching the Cap. This is not only disappointing for equity and sustainability reasons, but for the cooperative spirit of the workings of the Ministerial Council. Those States or Territories who breach the Cap need to understand and acknowledge the significance of such actions, particularly for those communities downstream, and be strongly deterred from continuing to do so in the future.

Whilst we appreciate the difficulties associated with striking the correct balance in the Murray-Darling Basin, it is essential that all States and Territories recognise that these difficulties can be overcome and should not be a barrier to stop further policy development.

### **ECOLOGICAL SUSTAINABILITY OF RIVERS**

We support the findings of the Report that without the Cap, there would have been an increased risk of environmental degradation, impacting on the long term sustainability of the system.

We also acknowledge the Report's view that there is no certainty that the Cap on diversions at its current levels is at sustainable levels.

### **ECONOMIC AND SOCIAL IMPACTS**

It is important from a farming perspective for there to be a fair and equitable balance between security of water supply for irrigators and other users (including

developers) and the sustainability for long term use and benefit (including the environment). We believe the Cap has to date carried out this function well, and in particular has addressed the issue of dozer and sleeper licences in an appropriate manner.

The Federation supports the principles of water trading and believe that the market will determine how water is used (i.e. to its highest value).

Whilst the Cap may have alleviated some tensions between irrigator groups and urban and rural Australians, we accept that such tensions will continue as the community becomes more educated about water resource issues.

## **EQUITY**

Equity between States and Territories is an issue of significance to South Australia as an “end user” of the Murray River.

We rely on the Cap to maintain flow regimes and protect water quality and the environment.

We also strongly support that water management processes be transparent and auditable. Our reasons for supporting this principle is two-fold.

*Firstly*, water users must be responsible in their land management practices. We do not support the concept of “sleeper” and “dozer” licences in the Basin and believe the Council (as opposed to the jurisdiction concerned) needs to show leadership and authority to ensure the sustainability of the Basin.

*Secondly*, the Basin must be closely monitored for sustainability reasons for current and future generations.

In relation to the pre-existing equity issues (outlined in the Report) remaining unresolved, we support these issues being resolved as soon as possible. Such resolution should be based on scientific evidence, and be in close consultation with other interested stakeholders (governments, industry etc).

As for the newly identified equity issues, these should be dealt with as a matter of priority (as suggested in the Report) with particular urgency being placed on diversions of water in New South Wales and Queensland.

## **IMPLEMENTATION AND COMPLIANCE**

We agree with the concerns outlined in the Report that Schedule F to the *Murray-Darling Basin Agreement* is at significant risk in terms of being undermined and that it will be structured in such a way as not to promote sensible water management.

We support the Report's recommendations as to where progress should be made, including computer simulation models used to determine Cap target diversions and management systems for metering, monitoring and reporting data. We believe reporting systems must be easy to use and understand, and require no external resources (such as consultants). If management systems prove difficult, with complex and expensive reporting mechanisms, many farmers will be reluctant to provide information required for the sustainability of the Basin.

## **CONCLUSION**

The Federation strongly support the draft report on the Operation of the Cap prepared by the Project Board. It is essential that all States and Territories in the Murray-Darling Basin work together to achieve a balanced, long-term, sustainable outcome for all Basin users.

The Federation endorse the retention of the Cap and its current operation for a number of economic, social and environmental reasons. As the major downstream user of the Murray, we particularly support stringent equity and compliance provisions.