

Hon Iain Evans MP

Minister for Environment and Heritage
Minister for Recreation, Sport and Racing

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Dr Tony McLeod
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Murray-Darling Basin Commission
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CANBERRA ACT 2601

RECEIVED

24 JUL 2009

M.D.B.C.

Dear Dr McLeod

Thank you for the opportunity to comment on the Draft Review of the Operation of the Cap. The response sheets for comment are attached for the Project Board's consideration. The responses attached have concentrated on issues of environment protection. Comments on water quantity management will be addressed by the South Australian Department for Water Resources.

I look forward to the opportunity to receive the final report and information on the next phase of this important initiative.

Any enquires on this submission can be directed to Helen Watts of the Environment Protection Agency on telephone 08 8204 2186 or email: hwatts@dch.sa.gov.au.

Yours sincerely



IAIN EVANS
Minister for Environment and Heritage
Minister for Recreation, Sport and Racing
Minister responsible for Volunteers

Date: 15/7/09



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Response Sheet for Comments on Draft Report

	Cap Project Board Position	Comment
E C O L O G I C A L S U S T A I N A B I L I T Y O F R I V E R S	The Project Board has concluded that the Cap has been an essential first step in providing for the environmental sustainability of the river system of the Basin. Without the Cap, there would have been a significantly increased risk that the environmental degradation of the river system of the Murray-Darling Basin would have been worse.	Comment supported.

	Cap Project Board Position	Comment
	<p>However, the Project Board has concluded that there is no certainty that the Cap on diversions at its current level represents a sustainable level of diversions – the level at which it is set being that which existed at the time when it was decided to introduce a Cap. Further, the Project Board recommends that as better information informs our management of the Basin's resources, the level at which the Cap is set should continue to be refined to reflect our increased understanding. It is likely that such refinements may lead to the lowering of the level of the Cap in some valleys. Indeed, some jurisdictions have already increased the environment's share, via access restrictions in addition to that required by the Cap, as part of their longer-term direction of improved water management.</p>	<p>Comment supported.</p> <p>As a greater understanding of the environmental water requirements is achieved and feedback on the implementation of environmental water requirements is evaluated, the Cap is likely to be refined further.</p> <p>Such ongoing refinements will require appropriate monitoring and evaluation systems to be in place.</p> <p>Specific comments on the sustainable rivers audit appear later.</p> <p>How will further refinement of the Cap impact on the statement that the Cap has provided certainty for investment?</p>
<p style="text-align: center;">E C O N O M I C A N D S O C I A L I M P A C T S</p>	<p>The Project Board considers that there is compelling evidence that the Cap has already delivered significant economic and social benefits to the Basin community and that the net benefit will increase over time.</p>	<p>The Cap has facilitated a more co-ordinated approach that will benefit management of water resources at a Basin scale as opposed to State boundaries.</p>

	Cap Project Board Position	Comment
	The results of research conducted for the Review make it clear that, in the absence of the Cap, the erosion of security of supply for irrigators and other users would have been significant. These analyses were performed on several systems across the Basin reflecting diverse agricultural practices and climatic conditions.	Was consideration in this research given to the potential for further refinement of the Cap (as stated earlier). The assessment appears to be based on Cap set at 1993/94 developments?
	Through guaranteeing security of water supply at the valley level, the Project Board views the Cap as having provided a more certain climate for long-term investment and development, particularly in high value agriculture and value adding processing, as well as providing benefits to the environment.	The main concern with some of the high value crops is that some, such as cotton, still capture for off river storage, significant volumes during flood events. This does not provide benefit to the environment and enhances the statement in the review of the Cap being part of an integrated approach to water management in the Basin. Refer to comment above regarding further refinement of the Cap.
S U S T A I N A B L E R I V E R S A U D I T	With the implementation of the Cap nearing completion in most jurisdictions, there is now the opportunity to take the "next step" and to consider the environmental outcomes of the Cap from a whole of Basin perspective. The Project Board supports the introduction of a regular Sustainable Rivers audit which would cast the Cap as an input to Basin health, rather than an outcome in itself. Whereas the Cap is seen as the first step towards achieving the longer-term objective of the <i>Initiative</i> , a Sustainable Rivers Audit can be viewed as the next step in the process of achieving this objective.	The audit is supported in principle but there needs to be consideration given to the following issues, some of which are raised within the report: <ul style="list-style-type: none"> • Timeframes – do not support reporting annually as many of the ecological changes will occur over significant timeframes. There maybe misconceptions about the Cap if degradation is still apparent over the short term. • Audit interpretation – natural resource management is highly integrated therefore is the audit being used to comment on the effectiveness of the Cap or the programs implemented (including the Cap) for Basin Health? • Monitoring – The objectives of the audit will need to be clearly defined as they will obviously influence the monitoring requirements of the audit. • Would consideration also be given to socio-economic indicators as part of the audit?

	Cap Project Board Position	Comment
OTHER ISSUES	Are there any other issues raised in the draft report that you wish to comment upon?	<p><i>Groundwater:</i> The following 2 issues:</p> <ul style="list-style-type: none"> • The need to consider the interactions of groundwater and surface water; and • the impact of the Cap on groundwater resources. <p>Need to be given further consideration.</p>