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Constitution Alteration (Water Resources) 2019

To Committee Members.

The events over the last three or four years regarding the Murray Darling Basin water have revealed a shift in the types of crops grown under irrigation. Traditionally stone fruit; vegetables; dairy; nuts (including almonds and walnuts); citrus and rice were grown but due to changes in markets and the cost of water, the ratio of the crops altered. One reason as an example, has been the decline in viability for dairying due to lower milk prices coupled with higher feed costs and higher water costs. Financial pressure on dairymen encouraged them to sell some or all of their water in a bid to survive. Subsequently when dairying managed a small lift in milk prices, the dairymen discovered the price of water had risen disproportionately. Some will say that this is how the 'market' operates. It is correct but very hard on some participants.

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Why has the price of water escalated so much?

The amount of water in the river system varies due to seasonal events and I understand experts are able to provide an estimate of available water for a season. This needs to be a little conservative in case unforeseen circumstances arise. From this estimate, allocations can be made and I believe such a method operates currently. However, it seems obvious that the system has been over-allocated which has resulted in anxious irrigators wondering where their water

will come from. This in turn sets off a bidding war to gain sufficient water. If water had not been over-allocated a more stable price should have been the norm.

Another factor in the price rise has been due to speculative buying of water. One of the worst outcomes for the whole MDB system arose once water ownership was available to any investor, whether or not he owned irrigable land along the river system. Hence an investor in New York or Hong Kong can purchase the right to water in the MDB system. He can never use the water. By holding it as an investment, he virtually takes the water out of the system. Nobody can use it unless they agree to buy it from the speculator. This is probably why frustrated irrigators can only watch the river flow in good quantities past their property and wonder why they cannot access some.

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Sharing the water fairly.

A ratio of water available to each State has been established previously and I am not in a position to suggest any variation. On the contrary, I feel that each State must learn to live with its allocation. I presume the eastern States use more of their water for irrigation whereas my own State of SA receives approximately 7% of the water flow and a large part of it is used for livestock, human consumption, townships and industry. The MBDA is correctly, not involved in determining how or where the States use their share.

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The MDBasin - a wonderful asset!

One of the driest nations on earth is blessed with a wonderful asset where water from mountain areas flows through productive agricultural land to deliver a food-bowl for all. It was not always like this. History shows the rivers were reduced to a series of connected lagoons in times of drought. In flood times, paddle steamers and barges steamed across flooded plains to collect wool from shearing sheds.

Man's ingenuity building valuable infrastructure has provided rivers which maintain good levels for the benefit of all to reap the advantage. I refer to the dams; bridges; channels; pipelines; pumping stations; locks and barrages. Along the complete length of the river system, every piece of infrastructure has played its part in the overall contribution to this great asset.

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Over-allocation and speculation causing the blame game.

If I can return to over-allocation and speculation; this is causing irrigators and other users to adopt 'finger pointing' where they point to other users for the problem. Other users are blamed for using too much water or growing crops which are too thirsty. Some are blamed for growing un-necessary crops. It is easy to understand their frustration but the blame game is not a solution. A farmer with an allocation is free to grow crops of his choice. If it is a thirsty crop he will need to reduce the area planted. How he applies the water or on which crop he irrigates is irrelevant. Taking the deeper view of the problem and eliminating the blame game argument, leaves the only problem to be over-allocation which includes non-available water held by speculators. The MDB is like a 1000 gallon tank full of water but it has numerous taps around the wall which collectively have the right to withdraw 1100 gallons. You cannot have what does not exist.

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Friction between farmers and States.

The finger pointing exists not only between farmers but also between States. We have a concerted effort criticising the existence of the barrages near the mouth of the Murray. The barrages have existed for 90 years and have ensured freshwater to the Lower Lakes by preventing sea water entering the system. The river is maintained at a higher level than the sea which is a benefit when surplus water can be released to the sea permitting the build-up of salinity accumulated from the length of the river, to be flushed to the sea. Another feature of any flushing is the transporting of silt through the mouth to the ocean. The silt threatens to block the mouth when no flushing occurs. River flows reaching the Lower Lakes in the last decade or more have been so

little that only a trickle of water passes the barrages to the sea. To overcome the silt blocking the mouth two sand dredges have been operating 24/7 for several years, pumping sand to the ocean to keep it open and benefit the Coorong. The shortage of flushing water has delivered a sand pump dredging bill of \$6m per annum which is shared by member States of the MDBA.

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The barrages are essential.

As stated earlier, the barrages are one cog in the MDB 'machine' and to decommission them does not deserve consideration. To argue that the Lower Lakes could rightfully return to its former estuarine status is like suggesting the upper reaches of the Murray revert to its former status by decommissioning the Hume Dam. No advantageous structure should be changed unless everyone gains. The Lower Lake freshwater provides domestic and livestock water all around the lake edge as well as irrigation for dairies and vineyards. None of this would be possible with decommissioned barrages. During the millennium drought, pipelines were constructed to supply some users in the Lower Lakes area but these were few.

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In summary.

There should be no additional or any alteration to infrastructure along the MDB without the approval and benefit of everyone along the system.

Water should not be available to any non-irrigator.

Establish an allocation limit within the available supply.

Ken Grundy

February 5 2020