



Murray Valley Winegrowers' Inc

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Swan Hill Wine Region Grape Growers' Association Inc.
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October 26 2012

Senator Doug Cameron

Chair, Senate Standing Committee on Environment and Communications – Legislation

PO Box 6100

Parliament House

CANBERRA ACT 2600

Dear Senator

RE: WATER AMENDMENT (LONG TERM AVERAGE SUSTAINABLE DIVERSION LIMIT ADJUSTMENT) BILL 2012

Background

Murray Valley Winegrowers (MVW) makes this submission on behalf of its 560 wine grape grower members in the Murray Darling and Swan Hill wine regions of North West Victoria and South West NSW – based on the regional centres of Mildura, Wentworth, Robinvale and Swan Hill. Collectively these two wine regions produce 20% of Australia's wine grape production – the second largest wine grape growing zone in Australia. In 2012 the farm gate value of Murray Valley wine grape production was estimated at \$109 million.

Our 19,000 hectares of wine grape vineyards are perennial plantings and are wholly dependent on the Murray and Darling Rivers for irrigation water. This absolute reliance on irrigation means wine grape growers in the Murray Valley remain vitally interested in the final form of the Murray Darling Basin Plan and its consequences.

Support for the Provisions of the Water Amendment Bill

MVW supports the provisions of the Water Amendment (Long Term Average Sustainable Diversion Limit Adjustment) Bill 2012 – based on the following factors:

1: Basin Community and State Government Support for an Adjustment Mechanism

Basin communities, industry groups, irrigators and State Governments have clearly called for an SDL adjustment mechanism to be incorporated into the Murray Darling Basin Plan. This was strongly reiterated at the Public Consultation Meeting in Mildura on February 10 2012. The provision of the

adjustment mechanism contained within the Bill meets this expectation of the Basin communities and of State Governments.

2: A Transparent and Measured Process for SDL Adjustment

The provisions of the Bill provide for a transparent process for the determination of any proposed amendment to the Basin SDL within a clearly specified decision making framework – that incorporate new knowledge on environmental impacts and additional savings that may alter the required take of water for maintenance of environmental objectives in the Basin. In turn this allows the flexibility for amendment of the SDL by +/- 5%, which provides for a reasonable range on the level of adjustment. Importantly the adjustment mechanism provides certainty around the SDL adjustment process.

3: Checks and Balances Govern MDBA Recommendations

The MDBA has carriage of the recommendation of any adjustment in the SDL to the Minister – based on a clearly detailed process. The proposed adjustment must be supported by a full analysis and impact assessment as the basis for a recommendation to the Minister; must be agreed by the Basin Officials Committee; and ultimately must satisfy the Minister that the recommendation to adjust the SDL is sound. In MVW's view MDBA, as the independent statutory authority tasked with the Basin's management, is the appropriate body to undertake the work required in making any recommendation for SDL adjustment. MVW is satisfied that the limits on the scale of possible SDL adjustment; the process required before making any recommendation to adjust the SDL; the oversight and need for agreement from the Basin States; and the need for agreement on any recommendation from the Minister, provide sufficient checks and balances to ensure MDBA must fully justify any recommendation for SDL changes.

4: Depoliticising Future Decisions on the SDL

Regrettably the entire process of developing the Basin Plan to date has become highly politicised and caused huge uncertainty over the future of irrigation industries, with evident anger and frustration within and between Basin communities and the environmental lobby. The Bill provisions will reduce the potential for future destructive partisan debate between regional communities, industries, and irrigators with environmental groups, and between State and the Federal Governments. The making of the SDL adjustment process a disallowable instrument in Parliament would potentially make every adjustment recommendation a hotbed of political contention and a potential captive of broader political interests or bring it under undue influence by political lobbies. MVW believes to progress with the implementation of the MDB Plan and develop a broader acceptance of the MDBA as its manager, it is essential not to repeat the highly politicised public debate over the MDB plan and the SDL. The provisions in the Bill for approval of adjustment recommendations and tabling of the associated report in Parliament by the Minister will defuse the uncertainty and anguish witnessed within our communities over the Plan process to date. In short, MVW maintains it is essential to avoid SDL adjustment considerations continuing to be a "political football", which we believe would be the case if SDL adjustments were to become a disallowable by Parliament.

Recommendation

On the basis of the factors detailed in this Submission MVW strongly urges the Committee to recommend the passage of the Bill through the Senate.

Submitted For and On Behalf of Murray Valley Winegrowers Inc.

Yours Sincerely

Mark McKenzie
Chief Executive