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**A Sustainable Water Future** *without compromising the health of interdependent ecosystems*

## **Water Action Coalition**

### **Submission to Senate Inquiry**

### **Water (Crisis Powers & Floodwater Diversion) Bill 2010**

## Google Water Action Coalition

**Senate Standing Committee on Environment, Communications and the Arts**

### Water (Crisis Powers and Floodwater Diversion) Bill 2010

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## **1 EXECUTIVE SUMMARY**

The Water Action Coalition (WAC) is a diverse and broadly represented group of concerned South Australians that called on members of the South Parliament to support WAC's call for a [Public Inquiry](#) into management of water and the environment. This call was a [Rally Proclamation](#) by the [Our Water Our Rights Rally](#) held on the steps of Parliament House on the 10<sup>th</sup> October 2009. Over 20 speakers spoke at the rally and included community leaders from across South Australia, peak bodies such as the Conservation Council of South Australia, Unions SA, Australian Conservation Foundation, federal and state politicians. The proclamation of hope was read out by [John Schumann](#) and the event has been published on [YouTube](#).

At the request of WAC, both the Hon Mark Parnell MLC and Mr Mitch Williams MP read WAC's Rally Proclamation into Hansard on the 28<sup>th</sup> and 29<sup>th</sup> of October respectively. WAC then prepared a "[South Australian Public Commission of Inquiry Water and Environmental Management Terms of Reference](#)" to provide a framework for the consideration of Parliament to support the call for a Public Inquiry. WAC wrote to all elected members of the South Australian Parliament seeking their support.

On the 3<sup>rd</sup> December 2009, the Legislative Council voted on the Hon Mark Parnell's motion that supported WAC's call for the Government to initiate an urgent public inquiry into water and environmental management without delay. History records that the motion was lost 6 to 12 when the Liberal opposition combined with Labor in the South Australian Legislative Council to defeat the motion supported by the minor parties and independents of the house. The vote was held on the last sitting day of the Rann Government's second Parliament. An opportunity to hold the Rann Labor Government to account was lost before the South Australian state election, held on the 19<sup>th</sup> March 2010, but the urgency remains and intensifies.

The independents that supported the motion shared our concern, and that of most South Australians that our river systems and iconic wetlands are collapsing. Interdependent ecosystems are dying and our fragile Gulfs are being destroyed. "Water Trading" is political spin for "Water Privatisation". Water Trading is regularly claimed by government agencies, such as the National Water Commission, of being very successful [17] but has failed to acknowledge its considerable failings.

Make no mistake the River Murray system environment and communities are all being sacrificed to ensure the success of "Water Trading". The costs to South Australia are considerable, and continue to mount while a significant proportion of South Australia's minimum River Murray water entitlement of 1850 GL is sacrificed for the benefit of the water market and private interests instead of the common good. Never have these government agencies used the word "privatisation" in their language to inform the public of the true nature of water reform for fear that if the Australian people knew the truth they would say no.

South Australia has capped its diversions from the River Murray for many decades following the 1967-68 drought whilst the eastern states collectively increased their diversions by over 300% (page 28 [19]). South Australia's current total diversion cap of 805 GL of high reliability water is just 43.5% of its total minimum entitlement flow into South Australia. The total minimum entitlement is just 1850 GL under the Murray-Darling Basin Agreement and represents a meagre share of the total resource. For the MDBA to propose a reduction in South Australia's diversion cap for consumptive purposes and/or suggest reductions in South Australia's total minimum entitlement would be a travesty of justice not only for the people of South Australian but for the environment.

The WAC movement, at its rally held on 10<sup>th</sup> October 2009, rejected the State Government's current water security strategies. The Our Water Our Rights Rally demanded that the River Murray and its rivers and creeks flow freely again to the Lower Lakes and to the sea. The Coorong must be reconnected to its freshwater sources in the South East.

Our urgent plea to the Australian Senate and House of Representatives is to realise that the Water (Crisis Powers & Floodwater Diversion) Bill tabled by Senator Sarah Hanson-Young and Senator Nick Xenophon is an urgent call for help on behalf of all South Australians. The South Australian government has been given the opportunity but failed to provide leadership and break with what has become a tradition not to challenge or speak out against water reform.

Our right and that of generations to come for a sustainable water future together with interdependent ecosystems depends upon the realisation that water reform has failed and privatising the River Murray has only created more problems and greater complexity that what it is worth. The longer it is allowed to continue will only result in even larger costs in the future to unwind the "Privatisation of the River Murray" system, but unwind it must.

The High Court of Australia in a judgement in December of 2009 against ICM Agriculture Pty Ltd, who were seeking compensation for significant reductions in groundwater entitlements pointed out in Clause 55 "The second point of interest is that the language of the 1896 Act and the 1912 Act does not disturb the common law notion that water, like light and air, is **common** property not especially amenable to private ownership and best vested in a sovereign state [55]."

WAC concurs with the High Court finding and further suggests that the focus on River Murray Privatisation by successive South Australian governments since 1994 is a significant conflict of interest between acting for the common good vs. acting for the self-interest of private ownership.

The crux of the situation is that if the River Murray was a Space Shuttle it would have already crashed with devastating consequences, and so it has. The Americans responded to the [Columbia Space Shuttle disaster](#) by commissioning a full and open public inquiry. In the case of the River Murray the consequences of the disaster include environmental, social and economic consequences and taken together, far exceed the State Bank Disaster.

Whilst the Water Action Coalition support the good intentions of the Bill, we commend the draft Terms of Reference for a National State of Emergency in the Murray-Darling Basin commissioned by a member organisation, [Fair Water Use \(Australia\)](#) for consideration as it is recognised that only the executive of government will be able to solve the problems by working together with state and federal governments, and using the full powers available to the executive of those governments. Also recommended for consideration are draft Terms of Reference for a comprehensive National Public Inquiry with the powers of a Royal Commission also commissioned by Fair Water Use (Australia).

A sustainable water future without compromising our environment is the only acceptable outcome. A quantum change of attitude is required if we are to avoid a disaster, that once more widely understood will have significant political ramifications for those parties that have failed to stand up for the public interest and the common good for a considerable period of time.

Prepared on behalf of the [Water Action Coalition](#) by  
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## 2 REFERENCES

### 2.1 Documents & Publications Of Interest

	Identification	Issue	Title
[1]	ISBN 1 921125 20 9	CSIRO 2007	Adelaide Coastal Waters Study <a href="http://www.clw.csiro.au/acws/">http://www.clw.csiro.au/acws/</a>
[2]	ISBN 978 0 9596627 8 8	RSSA 2008	Natural History of Gulf St Vincent <a href="http://www.adelaide.edu.au/rssa/pub/">http://www.adelaide.edu.au/rssa/pub/</a>
[3]	Sustainable Focus Pty Ltd	Sept 2008	Report on Sustainable Water: Options for Adelaide <a href="http://markparnell.org.au/campaign.php?campaignn=25">http://markparnell.org.au/campaign.php?campaignn=25</a>
[4]	ISBN 0-646-45013- 1	2005	<a href="#">Water Proofing Adelaide Strategy</a> A Thirst for Change 2005 -2025
[5]	ISBN 978-0-642- 71992-8	10 October 2008	Senate Committee Report Rural and Regional Affairs and Transport: Water management in the Coorong and Lower Lakes <a href="http://www.aph.gov.au/senate/committee/rrat_ctte/low&lt;br/&gt;erlakes_coorong/index.htm">http://www.aph.gov.au/senate/committee/rrat_ctte/low erlakes_coorong/index.htm</a>
[6]	Hansard Report Parliament of South Australia	8 <sup>th</sup> October 2008	Report No 63: Desalination Interim Port Stanvac <a href="#">Environment, Resources and Development Committee</a>
[7]	61st Report Coastal Development Inquiry	20 <sup>th</sup> November 2007	Coastal Development Inquiry <a href="#">Environment, Resources and Development Committee</a>
[8]	Waterlines Occasional Paper No 9	October 2008	Emerging Trends In Desalination: A Review UNESCO Centre for Membrane Science and Technology University of New South Wales <a href="http://www.nwc.gov.au/www/html/893-emerging-&lt;br/&gt;trends-in-desalination-a-review-.asp?intSiteID=1">http://www.nwc.gov.au/www/html/893-emerging- trends-in-desalination-a-review-.asp?intSiteID=1</a>
[9]		15 <sup>th</sup> October 2008	The University of Adelaide Water Wednesday (Karlene Maywald, Peter Cosier and Wayne Meyer) <a href="http://www.adelaide.edu.au/environment/wrc/news/20&lt;br/&gt;08/event5.html">http://www.adelaide.edu.au/environment/wrc/news/20 08/event5.html</a>
[10]		2004	A Fresh History of the Lakes: Wellington to the Murray Mouth, 1800s to 1935 by Terry Sim and Kerri Muller. PDF can be downloaded from Goolwa to Wellington Local Action Planning group <a href="http://www.gwlap.org.au/publications.php">http://www.gwlap.org.au/publications.php</a>
[11]	ISBN 1 876562 86 2	July 2005	“Audit of contemporary and historical quality and quantity data of stormwater discharging into the marine environment, and field work programme”. ACWS Technical Report No.3 <a href="http://www.clw.csiro.au/acws/">http://www.clw.csiro.au/acws/</a>

	Identification	Issue	Title
[12]		October 2003	<a href="#">California Government Department of Water Resources: Desalination</a> <a href="#">Water Desalination: Findings and Recommendations</a>
[13]	WAC-D-001	Draft 0.1b 1 Dec 2009	South Australian Public Commission of Inquiry Water and Environment management Terms of Reference <a href="http://www.civictrust.net.au/PublicInquiryToR.pdf">http://www.civictrust.net.au/PublicInquiryToR.pdf</a>
[14]	CiQ-FWUA-001	2.0 18 Nov 2009	National Public Commission of Inquiry into the Governance and Management of the Murray-Darling Basin <a href="http://www.fairwateruse.com.au/">http://www.fairwateruse.com.au/</a>
[15]	CiQ-FWUA-002	2.0 18 Nov 2009	National State of Emergency Commission of the Murray-Darling Basin <a href="http://www.fairwateruse.com.au/">http://www.fairwateruse.com.au/</a>
[16]		15 Oct 2008	Water Wednesday - <a href="#">How do we use innovation and science to find clever options for future water magement</a> University of Adelaide – Professor Wayne Meyer
[17]		10 June 2010	<a href="#">Water trading benefits irrigators and rural communities</a> National Water Commission Media release The report presents a comprehensive assessment of the impacts of water trading from 1998-99 to 2008-09- a decade marked by severe and prolonged drought.
[18]		8 June 2010	<a href="#">Menindee keeping the water for itself</a> ABC Radio National Breakfast <b>Guest</b> - Richard Kingsford From the University of NSW's School of Biology, Earth and Environmental Sciences <b>Reporter</b> - Gregg Borschmann
[19]		June 2008	Securing the Future: Long-Term Plan for the Coorong, Lower Lakes and Murray <a href="http://www.environment.sa.gov.au/climm/the-long-term-plan.html">http://www.environment.sa.gov.au/climm/the-long-term-plan.html</a>
[20]		2005-06	<a href="#">Murrumbidgee Valley Water Balance 2005-06</a> State Water (NSW) Note "Unaccounted difference amounts to 477.2 GL which is further defined as "Unaccounted difference is estimated as the difference between inflows, outflows and change in storage. This includes river evaporation, seepage, overbank flows, theft and any measurement errors recording other components." South Australia's entire irrigation entitlement amounts to 554 GL (RMP Slide 17)

## 2.2 Definitions And Acronyms

### 2.2.1 Definitions

Term	Description
Gigalitre (GL)	One Gigalitre is 1,000 ML or 1 billion litres and represents a volume of water one square kilometre by one metre deep.  When full, the Hope Valley reservoir holds about 2.8 GL and the Happy Valley Reservoir holds 11 GL.
Hectare	Equivalent to an area of 10,000 m <sup>2</sup> or 2.471 acres

### 2.2.2 Acronyms

Acronym	Description
ACWS	Adelaide Coastal Waters Study 2007
AWA	Australian Water Association
CEO	Chief Executive Officer
CSIRO	Commonwealth Scientific and Industrial Research Organisation
EDO	Environmental Defenders Office
ERDC	Environment, Resources and Development Committee Parliament of South Australia
GSV	Gulf St Vincent
MDB	Murray-Darling Basin
MDBA	Murray-Darling Basin Authority
MLC	Member Legislative Council
RMP	River Murray Privatisation
SA	South Australia
SoE	State of Emergency
WAC	Water Action Coalition <a href="http://civictrust.net.au/page25.htm">http://civictrust.net.au/page25.htm</a>
WPA	Water Proofing Adelaide



**A. Detailed Review of Water (Crisis Powers and Floodwater Diversion) Bill 2010**

**Table 1. Detailed Review – Water (Crisis Powers and Floodwater Diversion) Bill 2010**

Ref	Section	Selected Statements	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
A.	Front Page	A Bill for an Act to enable the Murray-Darling Basin Authority to manage the water resources of the Basin as a single system during periods of extreme crisis, and for related purposes	<p>Whilst supporting the intent of this Bill, the crisis that this Bill seeks to address can only be implemented immediately by the declaration of a State of Emergency (SoE) in the MDB. The resources of the states will be required to implement a SoE.</p> <p>The crisis in the South Australian Murray River to the Murray Mouth is due to mismanagement and not climate change.</p> <p>All Governments of the Murray-Darling Basin (MDB) have failed to act when inflows continued to fall in the late 90s to ensure water was conserved for the following year should the drought worsen, and worsen it did. The culture of use by irrigation can be clearly seen since the keeping of records. Diversions for irrigation were maximised and continued to be maximised even when NSW and Victoria failed to supply SA's minimum entitlement of 1850 GL under the MDB Agreement.</p> <p>South Australia allowed the mandatory reserve of 2500 GL required to be held in MDBA water storages by NSW and Victoria to guarantee South Australia's minimum water entitlement at the end of the water year to be reduced to just 835 GL in 1989. From that time the trend in flows to South Australia has been only down (RMP Slide 23 &amp; 24).</p> <p>Since 1994, the Governments of the MDB through COAG have been blindly committed to privatising the waters of the Murray-Darling River system by unbundling water licenses from land and allowing water in all of its license forms to be traded to the highest bidder. This action turned water into a commodity and its value was determined by scarcity. I would suggest that water scarcity was not only exacerbated by the drought but by maximising water use for irrigation instead of prioritising its use and conserving it for future water years as the drought worsen.</p> <p>The disaster in the South Australian Murray River Corridor was entirely preventable. South Australian irrigators have been badly mistreated by water reform. They have been treated as general security water entitlements holders and made to purchase their water when in fact their water is part of the High Security or High Reliability total SA diversion cap of 805 GL.</p>	<p>Draft Terms of Reference for such a State of Emergency have been prepared by <a href="#">Fair Water Use (Australia)</a> in addition to Draft Terms of Reference for a Public Inquiry with the Powers of a Royal Commission. The <a href="#">2009 Victorian Bushfires Royal Commission</a> demonstrates the critical importance of <a href="#">Public Commissions of Inquiry</a> to the public interest.</p> <p>Laws need to be changed to give power to the Australian Senate to be able to commission Public Inquiries with the power of Royal Commission. The executive arm of Government has failed to act to address a disaster of which it is fully implicated.</p> <p>Attached as Appendix C to this submission are the "Speech Notes" of a presentation given at the "Water-Climate Seminar" organised by the SA branch of the <a href="#">Climate Emergency Network</a> (Clean SA) on Sunday 6<sup>th</sup> June 2010 titled "River Murray Privatisation" RMP by John Caldecott, Convenor of the SA based <a href="#">Water Action Coalition</a>. The majority of the supporting information for this submission can be found in this presentation.</p> <p>Water must be declared a "Public Trust" the common property of Australia in the Australian Constitution and made more explicit to confirm the intentions of the founding fathers of section 100 of the Australian Constitution and stated by the Victorian delegate to the Constitution Convention Sir <a href="#">Isaac Isaac</a> (RMP Slide 13 Notes) who went on to become Governor General of Australia.</p> <p><a href="#">NSW EDO Publications List</a> Coastal Solutions Forum - 15 November 2003 <a href="#">Can We Better Use Private Rights to Protect the Public Commons?</a> <a href="#">Public Trust Doctrine</a></p> <p>An allocation consistency rule needs to be established i.e. No downstream user of water can receive a lower allocation for water of the equivalent status.</p>



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Ref	Section	Selected Statements	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
B.	3 Objects	5 The objects of this Act are to enable the Murray-Darling Basin 6 Authority: 7 (a) to take full responsibility for the management of the water 8 resources of the Basin as a single system during periods of 9 extreme crisis; and 10 (b) to exercise broader powers in the management of floodwaters 11 and waters from significant rainfall events.	<p>The emphasis in the role of the MDBA must be to prevent emergencies from occurring. It is inconceivable that the MDBA would have the power in reality to manage what is the responsibility of the state and require the powers of the Commonwealth to implement.</p> <p>For example the MDBA CEO will have not have the power to authorise the use of the Australian Federal Police or access the capabilities of the Armed Services should they be required.</p>	



Ref	Section	Selected Statements	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
C.	4 Constitutional basis for Act	<p>18 (2) The basis for the extended application of Commonwealth</p> <p>19 legislative powers to meet the objects of this Act is that:</p> <p>20 (a) the matters set out in subsection 10(2) of the Water Act,</p> <p>21 relating to the physical interconnectedness of Basin water</p> <p>22 resources, and the environmental, economic and social</p> <p>23 consequences of that interconnectedness, apply even more</p> <p>24 strongly during periods of extreme crisis;</p> <p>25 (b) the only way to secure sufficient water for use for competing</p> <p>26 environmental, conservation and irrigation purposes is to</p> <p>27 implement a single, efficient system for the management of</p> <p>28 Basin water resources during periods of extreme crisis, which</p> <p>29 equitably deals with matters of water allocation and sharing;</p> <p>30 and</p> <p>31 (c) it is appropriate that impediments to a single, efficient system</p> <p>32 be set aside until the period of extreme crisis has ended.</p>	<p>The rights of residents of the state under section 100 of the Constitution needs to be included at line 26 such as urban residents of towns and cities who depend on water supply supplied by pipe from the River Murray including the industries that support those towns and cities.</p> <p>The recommended Priority Of Water Use which rightfully puts the needs of the residents of Australia first is as follows:</p> <p>Murray-Darling water, including groundwater, shall be provided for use in the following order of priority:</p> <ol style="list-style-type: none"> <li>Water required by the Murray-Darling river system to ensure its ecological health including that of the Ngarrindjeri who have occupied the bottom of the River Murray for tens of thousands of years.</li> <li>Water required by residents who are dependent upon the Murray-Darling for their water supply.</li> <li>Water for use by irrigators to produce foodstuffs for domestic consumption.</li> <li>Water for use by other industries to produce goods and products for domestic use, and</li> <li>Water for use by irrigators and industries to produce goods and products for export.</li> </ol>	<p><b>Ngarrindjeri Sea Country Plan 2006</b></p> <p>The <i>Ngarrindjeri Sea Country Plan</i> has been prepared by Ngarrindjeri people to help government agencies, natural resource managers, researchers, industry and the wider Australian community to better understand and recognise rights and responsibilities to our Yarluwar-Ruwe (Sea Country), including the lower Murray River, Lakes, Coorong and adjacent marine and land areas.</p> <p><a href="http://www.environment.gov.au/indigenous/publications/ngarrindjeri-plan.html">http://www.environment.gov.au/indigenous/publications/ngarrindjeri-plan.html</a></p> <p><b>A Problem Too Close To Ignore</b> September 2009 YouTube Video</p> <p>South Australia is where the River Murray ends, before the Murray Mouth the river spills into the Coorong and two lakes, Lake Alexandrina and the smaller of the two, Lake Albert. Recently a lack of rain has begun to have a visible effect as the lakes and Coorong begin to dry up. This poses many serious issues for locals and has an impact on tourism.</p> <p><a href="http://www.youtube.com/watch?v=GALYCxqlrvU">http://www.youtube.com/watch?v=GALYCxqlrvU</a></p> <p>Urban and Industry water use from the Murray-Darling Basin is just 5% of total diversions. The proportion of water used to grow fruit and vegetables is quite small (RMP Slide 30). Any investigation into the export of water from the MDB is likely to find that it is a significant proportion of all diversions is exported as virtual water. It is unacceptable for a Government to put the rights of private interests seeking monetary gain from exports before that of residents of Australia and their precious environments. There is no crisis in food security for Australians. If there is a crisis it is simply a failure of prioritisation by Governments to put Australian needs first.</p>



Ref	Section	Selected Statements	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
D.	7 Interpretation	<p>19 (1) In this Act:</p> <p>20 <b>Water Act</b> means the <i>Water Act 2007</i>.</p> <p>21 <b>water plan, arrangement or agreement</b> means any plan,</p> <p>22 arrangement or agreement provided for or dealt with by the Water</p> <p>23 Act, and includes the following:</p> <p>24 (a) the Basin Plan, if any;</p> <p>25 (b) any interstate sharing agreement;</p> <p>26 (c) any State or local plans;</p> <p>27 (d) any arrangement that affects the way that water entitlements</p> <p>28 and allocations may be traded.</p>	<p>Refer Ref C. water must be prioritised for Australian needs first vs. before that used for export purposes.</p> <p>All Water Sharing Plans need to provide for an orderly and well defined reduction in allocation of water used for irrigation as inflows reduce due to natural climate variability. This is a well understood characteristic of the MDB that is not adequately managed for.</p> <p>During an emergency the water market should be suspended and only temporary water allowed to be shared within an irrigation district.</p> <p>The Murray-Darling Basin Agreement must be reviewed and updated and rank above the Basin Agreement to ensure SA's minimum total entitlement of 1850 GL is emphasised and protected during all climate cycles of the MDB by the MDBA.</p> <p>South Australia's total allowable diversion has been capped since the 60's and is currently 805 GL or 43.5% of its minimum entitlement of 1850 GL. This needs to be recognised as a "Sustainable Entitlement Limit" which not only guarantees the survivability of the Lower Lakes during low flows but irrigation and water supplies to the city of Adelaide and towns of South Australia dependent upon the River Murray.</p>	<p>RMP Slide 14 – Natural variability of diversions from the MDB ranges from as low of 20% to 80% during a deep drought.</p> <p>RMP Slide 33 – The number of tradeable water entitlements on issue in 2007-08 for the regulated system of the MDB amounted to 16,200 GL of which South Australia's share is just 6%. Clearly this does not represent a reasonable share of MDB resources for SA in accordance with section 100 of the Australian Constitution.</p> <p>Non-viable licenses, licenses created or activated since the establishment of the cap in 1994 need to be deactivated and cancelled without compensation as river water is a natural resource.</p> <p><b>ICM Agriculture Pty Ltd v The Commonwealth</b> [2009] HCA 51 <i>High Court of Australia</i> 9<sup>th</sup> December 2009</p> <p>Clause 55 "The second point of interest is that the language of the 1896 Act and the 1912 Act does not disturb the common law notion that water, like light and air, is <b>common</b> property not especially amenable to private ownership and best vested in a sovereign state[55]."</p> <p><a href="http://www.austlii.edu.au/au/cases/cth/HCA/2009/51.html">http://www.austlii.edu.au/au/cases/cth/HCA/2009/51.html</a></p>



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E.	9 Extreme crisis	<p>4 (1) A <b>period of extreme crisis</b> exists during any period in which the</p> <p>5 circumstances in either subsection (1) or (2) exist.</p> <p>6 (2) A <b>period of extreme crisis</b> exists during any period:</p> <p>7 (a) commencing when the level of water in Lake Alexandrina is</p> <p>8 continuously less than +0.0m Australian Height Datum</p> <p>9 (AHD) for more than 3 consecutive months; and</p> <p>10 (b) ending when the level of water in Lake Alexandrina has</p> <p>11 returned to a level continuously above +0.4m AHD for 3</p> <p>12 consecutive months.</p> <p>13 (3) A <b>period of extreme crisis</b> exists during any period:</p> <p>14 (a) commencing when allocations to high security water</p> <p>15 entitlement holders in any irrigation district have been below</p> <p>16 20% for more than 2 consecutive years; and</p> <p>17 (b) ending when allocations to those high security water</p> <p>18 entitlement holders have returned to a level above 40% in</p> <p>19 any year.</p> <p>20 (4) If the criteria in paragraph (2)(a) and paragraph (3)(a) have each</p> <p>21 been met, the period of extreme crisis does not end until the criteria</p> <p>22 in paragraphs (2)(b) and (3)(b) have each been met.</p>	<p>The definition of an extreme crisis needs to address the failure of the eastern states to provide the minimum entitlement of 1850 GL in any water year. Failure to supply pre-defined minimum entitlements in any three months of a water year will trigger an emergency.</p> <p>South Australia's diversion entitlement of 805 GL was designed to be the most reliable in the whole of the MDB.</p> <p>Also recommend an emergency is triggered whenever up stream allocations for high reliability water exceed the allocation granted to South Australian irrigators in the River Murray and the principle tributaries of the Darling, Murrumbidgee and Goulboun rivers including their tributaries.</p> <p>The granting of allocations exceeding 100% needs to be outlawed throughout the MDB and I would suggest that given the irrigation districts of South Australia are normally the most productive in the nation that the figure of 20% is too low and needs to be revised significantly up to approximately 65 to 85%.</p> <p>Water carry-over and borrowing of water from future entitlements are suspended during a water emergency and in any water year where the MDBA forecasts a likely hood of greater than 60%.</p> <p>Based on RMP Slide 25 reference report the trigger point needs to be between 0.0 AHD and 0.3 AHD. Recommend the scientists who prepared "<a href="#">Lake Alexandrina and Albert Ecological Condition Progress Report</a>" dated April 2008 be consulted.</p> <p>During an emergency all available water resources within the basin must be made available on a collaborative basis to address the emergency. Incentives need to be designed to ensure the eastern states are focussed on delivering SA's minimum entitlement of 1850 GL and are required to deliver any shortfalls in future water years.</p>	<p>RMP Slide 24</p> <p>The Murray-Darling Basin Agreement must be reviewed and updated to strengthen SA's rights to a reasonable share of the MDB that reflects the decades of conservatism by the residents and irrigators of this state.</p> <p>Suspension of Water Sharing Plans in any catchment that potentially could affect SA's minimum entitlement are also triggers for an emergency.</p>



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F.	10 Chief Executive's advice	<p>24 (1) The Chief Executive must advise the Minister, in writing, if:</p> <p>25 (a) the Authority assesses that the Basin has entered a period of</p> <p>26 extreme crisis; or</p> <p>27 (b) the Authority assesses that a period of extreme crisis has</p> <p>28 ended.</p> <p>29 (2) Advice under subsection (1) must include advice as to the basis on</p> <p>30 which the Authority's assessment has been made.</p>	<p>The Chief Executive has a public duty of informing the public and this must occur at the same time as the Minister is informed, including those Ministers party to Governments impacted by the emergency.</p> <p>The public duty of the MDBA must extend to all inquiries, forecasts and reports made available to Governments of the MDBA.</p> <p>Responsibilities to provide forecasts of the risk of an emergency need to be given every three months and cover the risks for the future water year and the water year after that.</p>	<p>MDBA state forecasts of water entitlement must be made public at the same time as the information is released to the states.</p> <p>The MDBA independent <a href="#">review of Drought Water Accounts</a> announced in early January 2009 by the MDBA CEO must also be made public and has been withheld from the public for far too long.</p>
G.	10 Chief Executive's advice	<p>1 (3) The Chief Executive must cause a copy of any advice given under</p> <p>2 subsection (1) to be published on the Authority's website.</p>	<p>Publication on the website must take place within 24hrs of the Minister receiving formal advice by any form of communication.</p>	



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Ref	Section	Selected Statements	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
H.	Part 3- Crisis  15 Powers Objects of Part	7 The objects of this Part are: 8 (a) to give the Authority overall control of the water resources in 9 the Basin to address the crisis, including by making the 10 groundwater and surface water allocation decisions 11 necessary: 12 (i) for system maintenance and to maintain river heights at 13 a minimum level; and 14 (ii) for the environment; and 15 (iii) for salinity management; and 16 (iv) for water users and holders of water access entitlements 17 or water access rights; and 18 (b) to empower the Authority to share, manage and allocate 19 Basin water resources and manage all processes that may 20 adversely affect the amount of water likely to flow through 21 the Basin, including making allocations to entitlement 22 holders and/or allowing the diversion of water from 23 flood-affected States or where there is significant rainfall.	Line 17 water access rights only apply to allocated water authorised to be used to grow a crop that is consistent with the pre-defined priorities of water use (Ref C).  Ref D	



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Ref	Section	Selected Statements	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
I.	Division 2- Crisis powers and functions of Authority  17 Authority to manage Basin water resources	7 (1) The Chief Executive may make a direction, in writing, relating to  8 the management of any or all of the water resources within, or  9 beneath, the Murray-Darling Basin.  10 (2) A direction under subsection (1) may deal with any matter capable  11 of being dealt with by any water plan, arrangement or agreement,  12 including any of the following matters: 13 (a) water sharing arrangements; 14 (b) water allocation arrangements; 15 (c) storage management; 16 (d) water accounting rules; 17 (e) rules for arrangements for sale, purchase or movement of 18 water among Basin States; 19 (f) the allocation of water for essential system maintenance,  20 conveyance and environmental purposes;  21 (g) any other matter necessary to give effect to the objects of this  22 Part.  23 (3) A direction under subsection (1) has effect according to its terms.  24 (4) A direction under subsection (1) is not a legislative instrument.	Line 20 – A plan to progressively shut down the 23,000 kms of channels as inflows are reduce needs to be pre-determined in-line with priorities of water use. RMP Slide 27	





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Ref	Section	Selected Statements	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
J.	18 Authority may suspend or vary agreements etc.	<p>26 (1) The Chief Executive may make a declaration, in writing,</p> <p>27 suspending, varying or replacing any water plan, arrangement or</p> <p>28 agreement which might impede the capacity of the Authority to</p> <p>29 manage the Basin's water resources as a single system.</p> <p>30 (2) A declaration under subsection (1) must specify:</p> <p>31 (a) the instrument, or class of instruments, affected;</p>	<p>Line 29 add "in the public interest"</p>	<p>The Australian Constitution ranks above the Government and Government appointed body. Accordingly the primary purpose of the MDBA must be to uphold its "Public Trust" responsibilities implicit in section 100 of the Australian Constitution on behalf of the residents of the states who make up the public of Australia.</p>
K.	18 Authority may suspend or vary agreements etc.	<p>1 (b) the period during which the instrument, or class of</p> <p>2 instruments, is to be suspended, varied or replaced (as the</p> <p>3 case may be), or a method of determining that period.</p> <p>4 (3) A declaration under subsection (1) has effect according to its</p> <p>5 terms.</p> <p>6 (4) A declaration under subsection (1) is not a legislative instrument.</p>		



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Ref	Section	Selected Statements	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
L.	21 Matters to which Authority must have regard	<p>18 In making a direction or declaration under this Part, the Chief</p> <p>19 Executive must have regard to the following matters:</p> <p>20 (a) the objects of this Part;</p> <p>21 (b) the principles set out in the National Water Initiative which</p> <p>22 have been agreed to by all governments of the</p> <p>23 Commonwealth of Australia;</p> <p>24 (c) critical human water needs;</p> <p>25 (d) environmental needs and obligations including international</p> <p>26 obligations;</p> <p>27 (e) community needs;</p> <p>28 (f) the importance of efficient market processes in determining</p> <p>29 the most appropriate way to use water and to facilitate</p> <p>30 structural adjustment;</p>	<p>Line 21 The National Water Initiative (NWI) never disclosed that it was about the Privatisation of the Murray-Darling Rivers. In addition it is an agreement signed within the most undemocratic institution in Australia COAG. The NWI has never been debated and approved by Parliament.</p> <p>The fundamental issue of whether Australians wish to give away their public commons right to water and allow the water of rivers to be privatised requires the approval of a referendum.</p> <p>Line 24 "Critical human needs" is defined in the Water Act 2007 and needs to be reviewed to ensure Australian needs for water supply, food production and sustainability of the MDB ecology comes before any other purposes when an emergency situation is reached.</p> <p>Line 28 – "Reliance on the market to allocate scarce water resources has failed South Australia and caused significant social, economic and environmental costs that exceed the State Bank disaster. It is also fair to conclude that the crisis created by the palpable mismanagement of the MDB has helped to facilitate the water reform agenda and the building of desalination plants in every state except Tasmania and the Territories.</p>	<p>RMP – Whole Document. Establishing a National Water Market is a free market experiment that has gone horribly wrong for South Australia. For a state that has just 6% of the total entitlements issued in the MDB for regulated water having to buy water for the environment, residents and irrigators of the State is nonsense and not in accordance with section 100 of the Constitution.</p> <p>Failure by Governments not to stop water privatisation will result in law suits that are currently occurring in the United States:</p> <p><b>Groups File Lawsuit to Block Backroom Water Deal</b> by Dan Bacher Thursday Jun 3rd, 2010 11:55 AM <a href="http://www.indybay.org/newsitems/2010/06/03/18649714.php">http://www.indybay.org/newsitems/2010/06/03/18649714.php</a></p> <p>This case has implications for Australia which Australian Governments would be foolish to ignore.</p>

Ref	Section	Selected Statements	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
M.	21 Matters to which Authority must have regard	<p>1 (g) the importance to the economy and communities of</p> <p>2 maintaining permanent plantings;</p> <p>3 (h) any other relevant international agreements;</p> <p>4 (i) the possibility that all or some parts of the Basin may be</p> <p>5 experiencing adverse climate change, so that it may not be</p> <p>6 possible to sustain all forms of water use in the Basin, and</p> <p>7 that any adjustment burden must shared equitably;</p> <p>8 (j) the need for economically-efficient water use and investment;</p> <p>9 (k) any other benefits available to particular users of Basin water</p> <p>10 resources;</p> <p>11 (l) the need to prevent activities that contribute to the improper</p> <p>12 use, storage and diversion of water; and</p> <p>13 may have regard to any other matter to which the Authority</p> <p>14 considers it necessary to have regard.</p>	<p>Line 5. The CSIRO Sustainability Yields project acknowledges that some areas of the Southern Basin experienced a once in a 300 year drought. In addition none of the climate models used to predict the range of likely scenarios to 2030 used a model that was as severe as the most recent climate.</p> <p>Given the scale of over-allocations of entitlements on issue in the MDB (RMP Slide 33), the River Murray will always be over-allocated. Even if the allocations were perfect as natural climate variability occurs there will always be times when there is not enough water to go around. Plans must exist for every level of natural climate variability where the use of water is prioritised and there is an orderly reduction of water use by irrigation which currently uses 95% of all diversion from the MDB.</p>	<p>RMP Slide 26, the key selected quotes are repeated here:</p> <p><b>Water Availability in the Murray – Presentation 4 July 2008</b></p> <ul style="list-style-type: none"> <li>• "Adelaide and SA rural town water supply would be unaffected under this or any 2030 climate (change model) scenario"</li> <li>• "The modelling indicates that levels in the Lower Lakes would not fall below mean sea level under any 2030 climate (change model) scenario, although minimal lake areas would be lower than under the historical climate in very dry years" (assumes full implementation of SA allocation practices)</li> <li>• The south of the MDB was in severe drought from 1997 to 2006 – in places a 1 in 300 year event without climate change. The drought has continued in 2007 and 2008</li> </ul> <p><b>Water Availability in the MDB – Presentation 25th November 2008</b></p> <ul style="list-style-type: none"> <li>• Under the median 2030 climate water availability would fall by 11% – 9% in the north and 13% in the south</li> <li>• The range of possible climate outcomes is wide due to the uncertainty inherent in current climate models</li> <li>• Under current arrangements 11% less water would only reduce average use by 4%;</li> <li>• the majority of the impact would be borne by the environment</li> </ul> <p>Clearly this report has been ignored by the South Australian Government who used the man-made crisis to justify the building of the 100 GL Adelaide Desalination Plant in Gulf St Vincent. This was the same year in which the Government also secured a rise in River Murray entitlements for irrigation of 76 GL to allow for water trading.</p>

## B. Detailed Review of Second Reading Speech by Nick Xenophon

**Table 2. Detailed Review – Second Reading Speech by Nick Xenophon**

Ref	Current Statement	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
N.	<p>Now, more than ever, the state of the Murray-Darling Basin is the most pressing environmental and social crisis this nation faces.</p> <p>For more than a century, state and federal governments have treated this river like some kind of magic pudding.</p> <p>They have over-allocated the river time and time again, and my home state of South Australia has paid the heaviest price.</p> <p>We're the ones being asked to watch the Lower Lakes die.</p> <p>Our irrigators are the ones who are suffering the most.</p> <p>And all of us are the ones facing the very real prospect of not having enough water for critical human needs within a decade.</p> <p>And I must say, the response to this current crisis by the state and federal governments has been nothing short of underwhelming.</p> <p>The Council of Australian Governments agreement on the Murray-Darling Basin has so many holes in it, if it was a boat it would sink.</p>	<p>Implications include economic and include all residents of the state and their industries that depend on water from the River Murray including the communities of the River Murray corridor.</p> <p>For far too long the MDB has been treated as the province of agriculture. The creation of the new National Water Market has only compounded the problem as now it is the province of the market as well as agriculture (RMP Slides 11 &amp; 14).</p> <p>Governments should not have to pay for water that is part of the common good. Compensation payments should only be made based on real water and then only in terms of the actual losses made by an irrigator for not being able to use an allocation.</p> <p>The "cost" of the disaster to South Australia needs to be fully quantified and include all cost associated with financing, building and operating the Adelaide Desalination Plant, blocking dams in the Lower Lakes, pumping, pipelines etc.</p> <p>There is not doubt that irrigators have suffered but so have all communities who have an association with the River Murray, including the City of Adelaide and towns of South Australia. This also includes communities campaigning for comprehensive stormwater harvesting, waste water recycling and public open space in Adelaide. This includes those campaigning against desalination plants in Gulf St Vincent and Spencer Gulf.</p> <p>The over-allocation of entitlements is massive to say the least and focussing on over-allocation is not going to solve what is a demand management problem that needs to be align with in-flows. Clearly there needs to be a full audit of the history of water licenses in the MDB and any licenses made after the cap was established in 1994 or sleeper licenses resuscitated should simply be cancelled.</p>	<p>It is nonsense to suggest there is not enough water to meet the needs of Australia. The amount of water exported as virtual water needs to be quantified as it is substantial. South Australia is being treated like a third world country that has allowed capital to control its resources for their private benefit while the public goes without. Our rights to River Murray water are being replaced by alternative water sources that have significant environmental and economic impacts, again for private benefit.</p> <p>You are right to question the response by state &amp; federal governments. The role of COAG has been nothing short of appalling. It is the reason there must be Royal Commissions, no Government since the 1994 COAG meeting has had enough integrity to be honest with the Australian people that they have been about stealing Australia's water resources for private benefit and attempting to hand over our water and our rights for private interests and markets to control.</p> <p>A Federal or State public inquiry needs to be urgently held to investigate saving the seagrass beds off the Adelaide Coast given their importance in mitigating the impacts of climate change as they are significant absorbers of CO<sub>2</sub>. Open private or public space for stormwater harvesting needs to be urgently set aside before future Governments have to make painful and expensive decisions to relocate golf course, airports and racecourses in the Western Suburbs of Adelaide because the Rann Labor Government put housing development at Cheltenham Park ahead of sound public policy.</p>



Ref	Current Statement	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
O.	<p>I have said on numerous occasions that I believe only a federal take-over will achieve the once in a hundred years fundamental reform of the river system that is so desperately needed.</p> <p>We need one river system with one set of rules. And only a true national take-over can achieve that. However, in the absence of a full federal takeover, this Bill gives the Murray-Darling Basin Authority the power to manage the water resources of the Basin as a single system during periods of extreme crisis, in situations where there is significant rainfall in areas of Australia.</p> <p>This would mean that one single Authority will be able to make decisions as and when required in the overall, national and best interest of the Murray-Darling Basin, rather than relying on the individual and, perhaps at times, selfish, interests of each state and territory coming into play.</p> <p>There have been two occasions in recent months in Queensland, where floods and heavy rain have resulted in overflowing rivers.</p> <p>Each year, wild weather events around the country continue to take place—flooding in the north while there's drought in the south.</p> <p>There's no doubt we are seeing the effects of climate change, and given the dire situation our Lakes are facing, it only makes sense to send these waters south.</p>	<p>Without a referendum on water as a public trust, a federal takeover is only going to compound the problem as it is the federal government through COAG who have led what is in reality a deceitful agenda to privatise the rivers of the Murray-Darling Basin for private benefit.</p> <p>The first step in any problem solving process is to conduct an inquiry to determine root causes so that lasting solutions can be designed. Until a Royal Commission is held it is inappropriate to apportion blame. Water reform has always been a clandestine operation steeped in economic rationalism and needs to be abandoned urgently.</p> <p>Both the Olsen Liberal and Rann Labor Governments have failed to question water reform, be honest with their electorates and demand a referendum.</p> <p>What Governments have overlooked and deliberately ignored is upholding "Public Trust" and respecting the "Public Trust Doctrine" both implicit in section 100 of the Australian Constitution. Both Australian and State Constitutions and legislation all need to be updated to address this issue.</p> <p>While South Australia is being left to hang out to dry and embark on expensive solutions for what is a small quantity of water the eastern states have quickly increased their allocations and are filling up their non-MDBA storages both public and private. It is nonsense that Lake Boga is being allowed to be refilled as a "Mid-Murray Storage" when South Australia's fair share has not be restored. As RMP Slide 29 illustrates, the amount of rain in the MDB has been substantial and South Australians are entitled to ask where is our fair share? Every last drop must and needs to be accounted for from the moment it hit the ground as rain. This can only be truthfully answered by holding a Royal Commission.</p>	<p>It is not only communities dissatisfied with water reform as indicated by the action being taken by the Murray Valley United irrigators group who are seeking to challenge Water Reform in the High Court.</p> <p><a href="#">Irrigators plan appeal to High Court over decision</a></p> <p>Mildura Independent 18<sup>th</sup> April 2010</p> <p>In the Federal Court last Friday an application to determine irrigators' rights under the constitution was heard, his Honour Justice Tracey, terminated the case and awarded costs against Murray Valley United (MVU).</p> <p><b>Lake Boga receives water</b></p> <p>Goulburn-Murray Water Media Release 15th March 2010</p> <p>"Water will flow into Lake Boga this afternoon as part of its future role as one of the lakes forming the Victorian Mid-Murray Storage.</p> <p><a href="http://www.g-mwater.com.au/mrlakebogareceiveswater.html">http://www.g-mwater.com.au/mrlakebogareceiveswater.html</a></p>



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Ref	Current Statement	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
P.	<p>I was pleased that, earlier this year, New South Wales recently reached an agreement with South Australia to divert 148 gigalitres to South Australia, just enough to save Lake Alexandrina and Lake Albert for at least another year.</p> <p>While this generosity is appreciated, it seems like South Australia is constantly being left to beg for water from the eastern states.</p> <p>Under this Bill, in events of significant rainfall in areas of Australia and during periods of extreme crisis, the Murray-Darling Basin Authority will take full responsibility for the management of water resources.</p> <p>I have consulted the experts on this issue in developing this Bill and at this time I would like to take a moment to thank Professor Mike Young from the University of Adelaide for his time.</p> <p>Based on science, the definition of an extreme crisis under this Bill is considered to be:</p> <p>When the level of water in lake Alexandrina is continuously less than +0.0 Australian Height Datum (sea level) for more than 3 consecutive months; and,</p> <p>When allocations to high security water entitlement holders in any irrigation district have been below 20 percent for more than 2 consecutive years.</p> <p>If the lakes are below sea level then quite simply no water can flow to the Coorong.</p>	<p>The Lower Lakes is not going to be saved unless it is brought back up to at least +0.3m AHD, the blocking dams in the Lower Lakes are removed and the mismanagement of the South-Eastern Mount Lofty Ranges allocations is addressed to ensure the regions rivers flow again and are not compromised by allowing excessive ground and surface water diversion.</p> <p>The Rann Government has not learnt from the Bannon Government which got into trouble because it took its eyes off the steering wheel and relied on market forces with devastating long lasting financial consequences. It was known as the <a href="#">State Bank Disaster</a>. The same is happening with water, it has handed control of water over to the market, refused to interfere and now South Australians are finding we a building a Desalination plant we don't need.</p> <p>It is further recommended that you consult with community groups such as the Water Action Coalition and experts who believe water is a public trust such as the International Patron of WAC <a href="#">Maude Barlow</a> .</p>	<p>Maude Barlow is not only very familiar with water privatisation internationally but she is also very familiar with what is happening in Australia. Maude gave the "<a href="#">Opening Keynote Address</a>" of the 2009 Australian Water Summit held on 1<sup>st</sup> April 2009 in Sydney.</p> <p><b>Water On The Table - Documentary</b></p> <p>Features Maude Barlow (YouTube Trailer Available) World Premier takes place on 19th June 2010 Ottawa – Canada <a href="http://www.wateronthetable.com/home/">http://www.wateronthetable.com/home/</a></p>
Q.	<p>Under this Bill, when these levels or periods are reached, the Murray-Darling Basin Authority will be able to address the crisis from a national perspective but to ensure the Lower Lakes survive, including by making the groundwater and surface water allocation decisions necessary for system maintenance and to maintain river heights at a minimum level; for the environment; for salinity management and for water uses and holders and water access entitlements or water access rights.</p>		



Ref	Current Statement	Findings, Questions and Recommendations	Remark (s) / Supporting Reference
R.	<p>It will also empower the Murray-Darling Basin Authority to share, manage and allocate Basin water resources, make allocations to entitlement holders and allow the diversion of water from flood-affected states or where there is significant rainfall.</p> <p>The reason the Murray-Darling Basin Authority would have these powers is because, as a national body, it will act in the interest of all states and territories.</p> <p>Currently, we have states and territories, each with vested interests making decisions about the Murray-Darling in the interest of their own states.</p> <p>But what is needed in the long term is a full federal takeover—one concentrated authority—to make decisions about the Murray-Darling in the best interest of the river and of the nation.</p> <p>I understand this Bill is an interim measure as we await the Basin Plan's release next year but we cannot wait until next year.</p> <p>I believe it's a vital measure to give our rivers a fighting chance—and it's needed now.</p>	<p>The MDBA is appointed by Government. It is Government that has the real power and resources. It is said that water is connected and so it is from a political sense.</p> <p>For South Australians let us not forget that it was the Commonwealth that allow nuclear weapons to be tested on our soil <a href="#">Maralinga, South Australia</a> and it was the Commonwealth government who has plunged this country into a complex and comprehensive market experiment with the most critical natural resource we have, water.</p> <p>A Royal Commission would no doubt result in similar findings as the <a href="#">Royal Commission into the Victoria Bushfires</a>. There has been a lack of leadership at critical times and there will need to be substantial changes to the Australian Constitution to strengthen the public interest. Senators need to be elected at the same time as a State election to ensure accountability to the public interests of the state and the Senate also needs the power to be able to commission a Public Commission of Inquiry using the powers of a Royal Commission to hold the executive of Government accountable.</p> <p>The Commonwealth Law Reform Commission completed its report in 2009 and now is the time to upgrade the Royal Commission laws to allow a majority in the Senate to commission a Royal Commission.</p>	<p><b>ALRC Report 111</b> <b>Making Inquiries: A New Statutory Framework</b> <a href="http://www.alrc.gov.au/inquiries/current/royal-commissions/ALRC111/">http://www.alrc.gov.au/inquiries/current/royal-commissions/ALRC111/</a></p> <p>On the 7<sup>th</sup> June the NSW Government announced plans to privatise the waters of the rivers of Metropolitan Sydney without disclosing the true intent of the water sharing plans and used the environment as a <a href="#">Trojan Horse</a>.</p> <p><a href="#">New rules to protect environmental water in Greater Sydney</a> "The NSW Government has released new draft rules to access water across Metropolitan Sydney under a plan to protect water for all users and the environment for at least the next 10 years."</p> <p>These plans allow for the unbundling of a water license from land thereby turning the water into a commodity and allow it to be traded. The signature of a Minister is all that is required to privatise water resources.</p> <p><b>Draft water sharing plans</b></p> <p>"The plan is formally endorsed by the Minister for Water as well as the Minister for Climate Change and the Environment, and becomes a statutory document under the Water Management Act 2000."</p> <p><a href="http://www.water.nsw.gov.au/Water-management/Water-sharing/Draft-water-sharing-plans/default.aspx">http://www.water.nsw.gov.au/Water-management/Water-sharing/Draft-water-sharing-plans/default.aspx</a></p> <p><a href="#">AWA E-News</a> for 15<sup>th</sup> June 2010 summarised the plan as follows:</p> <p>"Water sharing plans for surface water (rivers and streams) and groundwater aiming to protect the basic rights of landholders, enable licensed extraction under varying climatic conditions, protect water-dependent ecosystems and enable licence holders to trade their water entitlements on the open market have been placed on public exhibition until 16 July. Submissions are being sought."</p>



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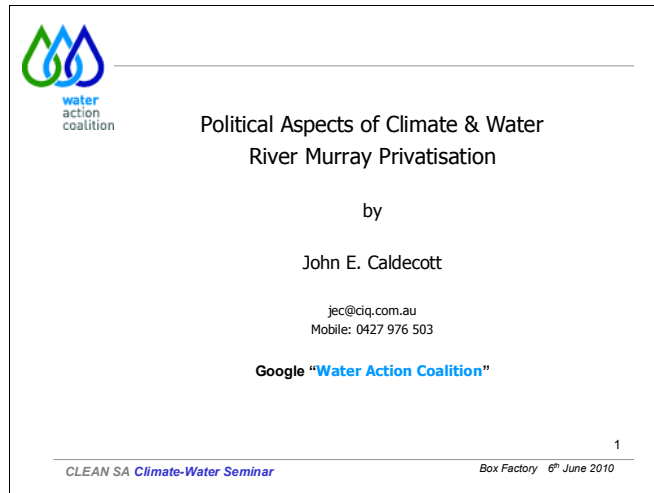


## Political Aspects of Climate & Water River Murray Privatisation

Clean SA Climate-Water Seminar  
Box Factory Sunday 6<sup>th</sup> June 2010

John Caldecott Speech Notes (Issue 1.1)

### C. Political Aspects of Climate & Water: River Murray Privatisation (Slide 1)



I would like to thank Clean SA for the opportunity to speak at today's "Climate-Water Seminar". There continues to be quite a community-driven political storm brewing in South Australia. With the March 2010 re-election of the Rann Labor Government who now governs with less than 50% of the popular vote, a reduced majority and many more marginal seats. Water and environmental issues are but one of the areas continuing to cause considerable community concern and angst.

### WAC Our Water Our Rights Rally 10<sup>th</sup> October 2009 – Prof Diane Bell (RLCAG) (Slide 2)



Flows to the Lower Lakes from the recent Northern Basin floods have not lived up to expectations and "Public Trust" continues to be broken whilst private interests are put first. The government is showing every sign of continuing administration practices that brought it into disrepute with the community both city and country before the last election; political appointments that don't make sense, the ridiculous claim that SA's water crisis is over, producing Long Term Plans for the Lower Lakes that are not the product of a rigorous Public Commission of Inquiry, with the powers of a Royal Commission and failure to demand a State of Emergency in the MDB to ensure a full and fair share of all water storages and inflows across the Basin whilst water sharing plans are suspended.

# Political Aspects of Climate & Water River Murray Privatisation

Clean SA Climate-Water Seminar  
Box Factory Sunday 6<sup>th</sup> June 2010

## John Caldecott Speech Notes (Issue 1.1)

### WAC Our Water Our Rights Rally 10<sup>th</sup> October 2009 – Lower Lakes (Slide 3)



water  
action  
coalition

### Lower Lakes Communities

WAC Rally 10th October 2009



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While the Murray has been suffering from a severe drought it is by no means broke. The Murray is in crisis because the actions of Federal and State politicians have not been the right ones. They have forgotten who they represent and have put market-driven "Water Reform" before the public interest of South Australia. A climate of political fear has been created around "Climate Change" during the last decade, which the CSIRO have described as a once in a 300 year drought, to provide a smoke screen whilst a natural resource is converted into a commodity for the benefit of global financial markets. "Climate Change" is another problem that needs to be solved by holding a Royal Commission to get to the bottom of the root causes that created this problem. Market solutions are just going to add to economic growth when the problem has been created by the inherent waste of unbridled growth and global free markets which must become significantly leaner for the good of all.

### WAC Our Water Our Rights Rally 10<sup>th</sup> October 2009 – Save Point Lowly (Slide 4)



water  
action  
coalition

### Save Point Lowly

WAC Rally 10th October 2009



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## Political Aspects of Climate & Water River Murray Privatisation

Clean SA Climate-Water Seminar  
Box Factory Sunday 6<sup>th</sup> June 2010

### John Caldecott Speech Notes (Issue 1.1)

"Weaning Adelaide off the Murray" is about politically weaning South Australians off their fair share of the River Murray as a public benefit and transferring it to the private sector. South Australians need to stand together; demand governments act in the public interest and uphold the "Public Trust Doctrine" implicit in section 100 of the Australian Constitution. "Weaning Adelaide off the Murray" makes no sense if the result adds to the death sentence that already hangs over Lake Bonney, the Murray below Lock 1; Lower Lakes, Coorong, Murray Mouth, Gulf St Vincent and Upper Spencers Gulf. Privatisation of water will only result in increased costs for the economy and society, and result in a reduction to both competitiveness and resilience to imports.

#### WAC "Our water Our Rights Rally" 10th October 2009 – YouTube Videos (20)

Steps of Parliament House, Adelaide, SA.

[http://www.youtube.com/view\\_play\\_list?p=08C532A0F72824DA](http://www.youtube.com/view_play_list?p=08C532A0F72824DA)

#### WAC Our Water Our Rights Rally 10<sup>th</sup> October 2009 – Save Our Gulf Coalition (Slide 5)



The image shows a group of people participating in a rally. They are holding a large white banner that reads "SAVE OUR GULF STOP THE DESAL!" in bold, black and red letters. The banner also features a small graphic of a tree. The participants are walking on a paved area, and there are trees and buildings in the background. The photo is credited to Fernando M. Gonçalves.

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100,000 Megalitres or 100 Gigalitres is in reality a drop in the bucket in terms of the Murray-Darling Basin. Adding to the environmental crisis of Adelaide Coastal Waters by building a Desalination Plant is public policy gone mad. The addition of a further 110 GL of toxic brine makes no environmental, economic or social sense to an environment already polluted by up to 200 GL of wastewater and stormwater with vast areas of old-growth seagrass forests destroyed which just happen to be [very important absorbers of CO<sub>2</sub>](#).

According to a late 2009 report published by United Nations Environment Programme (UNEP) "[Blue Carbon: The Role of Healthy Oceans in Binding Carbon](#)" page 6 "Oceans play a significant role in the global carbon cycle. Not only do they represent the largest long-term sink for carbon but they also store and redistribute CO<sub>2</sub>. Some 93% of the earth's CO<sub>2</sub> (40 Tt) is stored and cycled through the oceans. The ocean's vegetated habitats, in particular mangroves, salt marshes and seagrasses, cover <0.5% of the sea bed. These form earth's blue carbon sinks and account for more than 50%, perhaps as much as 71%, of all carbon storage in ocean sediments. They comprise only 0.05% of the plant biomass on land, but store a comparable amount of carbon per year, and thus rank among the most intense carbon sinks on the planet."

Clearly the money being spent on the Adelaide Desalination Plant could have been better spent on water and environmental conservation projects not only in metropolitan Adelaide but all around the state. Communities throughout the length and breadth of the state are saying enough is enough. This is not only about listening to communities but building trust and integrity with communities by acting in their public interest in the first place.

## Political Aspects of Climate & Water River Murray Privatisation

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John Caldecott Speech Notes (Issue 1.1)

WAC Our Water Our Rights Rally 10<sup>th</sup> October 2009 – CPRA (Slide 6)



**Cheltenham Park Residents Assoc**  
WAC Rally 10<sup>th</sup> October 2009



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Cheltenham Park residents are campaigning for the retention of public space for stormwater harvesting and recycling. The capability of Cheltenham Park to harvest stormwater is in the region of 20 to 30 GL if all the land was used and you could get stormwater water to the site according to Colin Pitman, Director of City Projects at Salisbury City Council. Needless to say one of the local problems with this region is flooding.

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#### A Sustainable Water Future (Slide 7)




**A Sustainable Water Future**  
Without compromising the health of interdependent ecosystems

- ♦ The Problem
- ♦ About the Murray
- ♦ State in Water & Environmental Crisis
- ♦ Recommendations

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The environment needs to be made better not worst for future generations. The aim of this talk is to give you insight into the issues around the River Murray and propose some of the steps that need to be taken.

#### The Mission of the Water Action Coalition (Slide 8)



**Mission**  
Sustainable Water Future ensures Equitable Use of all Water Resources

- ♦ Secure all water in its rivers, streams and groundwater as the common property of Australia, to be managed as a common good and not traded as a profitable commodity.
- ♦ Deliver viable supply and reuse systems to all communities, city and country, without harm to interdependent ecosystems and the community.
- ♦ Ensure that water is managed efficiently and effectively for community use today and conserved for future generations.
- ♦ Respect Aboriginal knowledge of water conservation and healthy water systems, its importance to Australia's oldest culture and to modern water management.

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As you will see later, we have had protracted droughts before, but never before has the Murray in South Australia been allowed to run down so badly with devastating environmental, social and economic consequences from the border to the Murray Mouth. Replacing Murray water with Desalinated water is not a solution for Gulf St Vincent and Spencer Gulf when it is these Gulfs that also need to be saved. It is this crisis that has significantly contributed to the formation of the [Water Action Coalition](#) by concerned South Australian community groups and individual citizens. The catalyst for the formation of WAC was the Community Water Summit held on 14<sup>th</sup> March 2009.

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### John Caldecott Speech Notes (Issue 1.1)



The above slide contains extracts from WAC's Mission Statement that form the foundation of our actions and public message. WAC's Charter, "A Call to Action" discussion paper and Brochure can all be downloaded by Googling "[Water Action Coalition](#)".


The brochure details the members of the foundation committee and supporting organisations, which together total over 25 organisations. International Patron is [Maude Barlow](#) and members of the Honorary Reference Group; Colin Pitman (Water Conservation), Dr Scoresby Shepherd (Gulf Waters Marine Biology), Hallett Shueard (River Murray), Tom Trevorrow (Ngarrindjeri Elder), Professor Diane Bell (Lower Lakes) and Professor Fran Baum (Human Health & Wellbeing). I would like to take the opportunity to thank all those who have helped and supported the activities of the Water Action Coalition thus far and into the future. It is critical that more South Australians take to writing letters to the editor, to our politicians, take part in the public discussions on talk-back radio and on the web, and importantly support the organisations who are campaigning for our water and environmental rights. These rights are simply for a fair share of the River Murray and to ensure the sustainability of our environmental heritage critical to the quality of life of future generations.

# Political Aspects of Climate & Water River Murray Privatisation

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John Caldecott Speech Notes (Issue 1.1)

What's Been Happening since the launch of the Water Action Coalition 19<sup>th</sup> July 2009 (Slide 9)



## What's Been Happening

Communities Groups Coming Together

- ◆ **Community Water Summit March 2009**
  - Community Committee formed, 150 People attended
- ◆ **Maude Barlow's Adelaide Visit April 2009**
  - Grainger Studio 250 people attended, water hot-spots tour
- ◆ **WAC Launch Watershed 19 July 2009**
  - Branding, Charter, "A United Call to Action" Paper, Brochure produced and Honorary Reference Group established.
- ◆ **WAC Our Water Our Rights Rally October 2009**
  - Steps of Parliament House - 22 speakers; Community Organisations, Peak Councils & Politicians; Open Letter to Premier from Hon Ref Group, Rally Proclamation formalised and read out in SA Parliament.
- ◆ **WAC Rally Call for Public Inquiry December 2009**
  - Voted & debated in Legislative Council 3 December 2009 – Lost 6 to 12 on major party grounds
  - Public Inquiry Terms of Reference produced; every MP & MLC in SA Parliament lobbied.
- ◆ **WAC Big Water Debate February 2010**
  - 400 people, 7 politicians, Professor Ian Lowe President ACF, co-partnered with The Bob Hawke Prime Ministerial Centre of the University of South Australia

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The catalyst for the formation of WAC was the Community Water Summit held on 14<sup>th</sup> March 2009. A key part of this event was a community workshop which generated a lot of the ideas that have been carried forward to be implemented by WAC. This list of WAC events is also a tale of progress; the Community Water Summit held at the Alan Scott Auditorium of the University of SA was attended by around 150 people and one politician, David Winderlich. WAC's [Big Water Debate](#) held in co-partnership with The Bob Hawke Prime Ministerial Centre at the same venue, attracted a full-house of around 400 people, many politicians and the event was reported in The Advertiser.


WAC's Rally Proclamation which called for a [Public Inquiry](#) was read out in Parliament by Mark Parnell of the South Australian Greens and Mitch Williams of the Liberal Party of South Australia in late October 2009. Mark went on to move a motion on the 3<sup>rd</sup> December 2009, the last sitting day of the Legislative Council of the current Parliament to move a motion calling for a vote for a Public Inquiry into Water and Environmental Management. Although the Liberal Party did not vote for it, their support allowed the bill to be debated. A significant opportunity to take on the Government on the River Murray was missed and it could have made the difference between winning and loosing at the recent state election. The more I research the River Murray the more pressing the need for a Public Inquiry with the powers of a Royal Commission becomes; this presentation continues to build that case and is an update from previous presentations.

# Political Aspects of Climate & Water River Murray Privatisation

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John Caldecott Speech Notes (Issue 1.1)

## The Problem - Described (Slide 10)



### The Problem - Described

- Failure of Leadership by SA & Australian Governments
  - The Drought has been exploited to implement undemocratic COAG water reform agenda led by Federal Government:
    - Create Water Market, Turn Water into a Tradeable Commodity i.e. privatise what is a common good, the common property of Australia without seeking approval of Australians by Referendum.
    - Downsize below Lock 1, Lower Lakes, Lake Bonney because water is now too valuable and needed for the new National Water Market.
    - Justify 100 GL Adelaide Desalination Plant
    - Ignore Urgency to Save Adelaide Coastal Waters from Stormwater & Wastewater Pollution & Focus on Conservation
    - Crisis exceeds the State Bank disaster (Economic, Environmental, Social Implications)
  - Government failed to demand a National State of Emergency in the MDB once flows reduced below Minimum Entitlement 1850 GL
    - Creation of & Faith in Markets came first
    - State of Emergency Required while Water Sharing Plans Suspended
    - Water Market Suspended or Limited
    - Royal Commission Required - to identify the root cause
    - Collective/Community Effort by Basin to address Emergency

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South Australian Governments since the 50's have been asleep at the wheel while total diversions from the MDB were dramatically increased from around 3,500 GL in the 1950s to around 11,600 GL by 2000, a 331% increase. The natural median flow to the sea in pre-colonial times was around 13,900 GL. For most of this decade it has been zero as Governments have steadfastly refused to uphold their public trust responsibilities and take the necessary real steps to address the problem. It is outrageous that it has taken this long for a bill to be put to the Australian Parliament by two South Australia's Senators Nick Xenophon and Sarah-Hanson Young on the 18<sup>th</sup> March 2010 "[Water \(Crisis Powers and Floodwater Diversion\) Bill 2010](#)". The Senate has initiated an inquiry into the proposed Bill but this is a Bill that should have been addressed by the major parties when the crisis first started.

For decades South Australia has worked within a total self-imposed diversion cap of 650 to 729 GL of high reliability water to cover town & urban water supplies, industry and irrigation use whilst the eastern states, particularly NSW and Victoria continued to dramatically increase their diversions. South Australia's minimum entitlement of 1850 GL was supposed to be sacrosanct during low flows and not only guarantees water supplies but sustains the environment and needs to be recognised as such by the new MDBA Plan as a compliant "Sustainable Diversion Limit". It needs to be revised up and not down.

The last two terms of the Rann Labor Government have failed to stand up for our rights, failed to listen to communities and has put growth at any cost and development, ahead of all else. No where is this more evident than its lack of real leadership on the River Murray, ensuring a sustainable water future for South Australia without compromising interdependent ecosystems. The mantra of the Government has been that if you want water for further economic development, no problem, as there are no limits for those who have the money to buy on the new water market.

The government and its agencies have gone along with the water reform agenda of COAG to the detriment of SA without a murmur of protest. Successive Governments have failed to inform Parliament and the people of Australia of the real intention of water reform; to privatise the water resources of Australia that are supposed to be held in Public Trust for the common good of Australia.

The greater good is being sacrificed in the interests of establishing the new water market, the turning of water into a commodity to become another toy for global financial markets and a tax on all Australians – this is the consequence of "Privatising the River Murray".




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Economists call this growth. Make no mistake this is a radical market experiment with Governments stepping back to let markets decide who can use what is the common property of Australia. Water licenses originally granted for free for irrigators to grow crops and develop regional areas of Australia. State Governments decide how much water can be allocated to a license entitlement at any one time. Governments have allowed the unbundling of water licenses from land and have allowed the adoption of the language of the market by using the term "water share". It can be leased (called temporary water), borrowed, saved (called carryover) mortgaged and anybody can buy it providing they can pay for it. This includes overseas investors and overseas government owned corporations. It is time Australians knew what proportion of water licenses are controlled by overseas interests and how much water was allowed to be borrowed whilst South Australia was in crisis and our minimum entitlement of 1850 GL was not being supplied by NSW and Victoria.

#### National Water Initiative (Slide 10)



### The National Water Initiative

- ♦ "The National Water Initiative (NWI) is Australia's blueprint for national water reform.
- ♦ Central to the initiative are water markets and trading. Trading is the main means through which available water resources are to be (re)allocated amongst users, representing a fundamental shift away from the historic administered allocation arrangements.
- ♦ Trading may involve a reallocation of water within a sector, between sectors, or between communities."

Australian Government Department for Water, Environment, Heritage and the Arts  
National Water Initiative Water Trading Study Final Report  
Published June 2006 by Department of Prime Minister and Cabinet

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The crisis we are having is due to a significant conflict of interest between the public interest for the common good vs. private markets. For too long Australian Governments have been overly focussed on privatisation of public assets and adopting what is known as the "[Washington Consensus](#)" when is never originally intended for developed countries.

COAG is an undemocratic institution that has been allowed to turn South Australia into a business unit of the Federal Government using financial incentives or bribes to achieve its reform goals. Since 1994 Governments have misled Australians about the true intent of water reform. They have created a Trojan horse around the environment and continuing to promise water reform will be the new way of the future to save the environment. The evidence is scant in South Australia; just ask the River Lakes and Coorong Action Group and their Water Election Team.

Water reform is about and has always been about creating a national water market for global financial markets. Water should have been prioritised and conserved during this protracted drought for the common good of Australians. For those who believe in a national solution be very wary, the Australian Constitution needs to be strengthened before we can trust the Federal Government with Australia's water, the principles of the "[Public Trust Doctrine](#)" needs to be imbedded in the Australian Constitution. There must be a referendum on whether Australians agree with water reform and allow the privatisation of one of the most critical natural resources we have, the surface and groundwater of the Murray-Darling River systems for the benefit of a few.

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### Stormwater Discharge River Torrens (Slide 12)



If the people of Adelaide were able to visual the devastation caused by the discharge of wastewater and stormwater into Adelaide Coastal Waters they would be horrified. Over 9,000 hectares of old-growth seagrass forests have disappeared and have been replaced by deserts open to erosion. The building of ill-conceived boat launching harbours and marinas, developments that have ignored the vital role of sand dunes along our coast, the use of inappropriate dredging practices that pays little attention to the coastal utility of our beaches, and contributes to water turbidity, illustrate many of the problems that exist in Adelaide Coastal Waters of Gulf St Vincent.

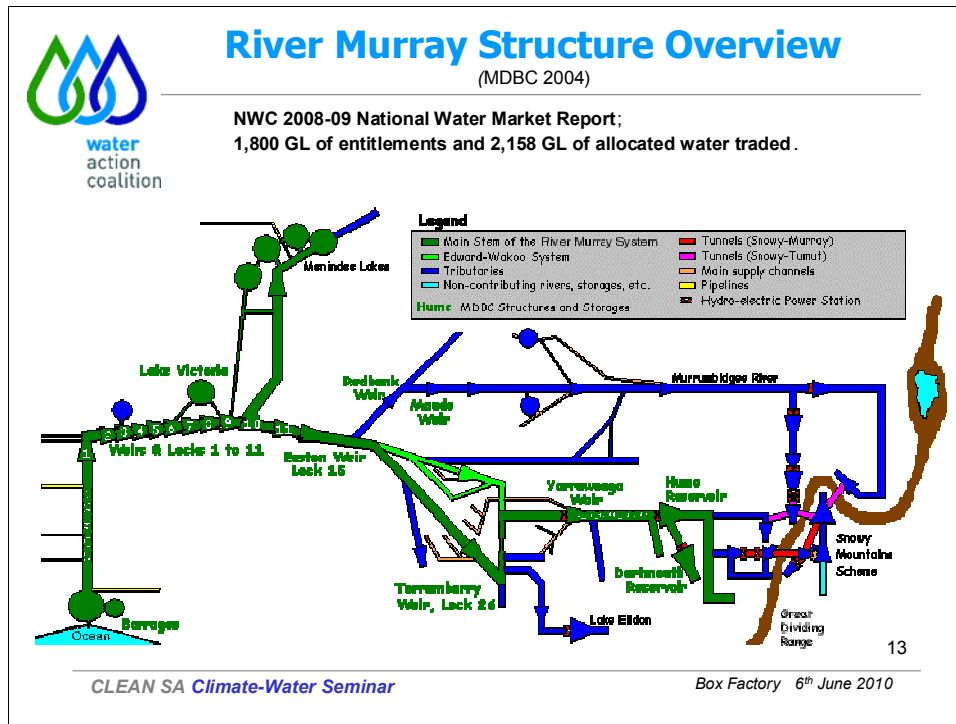
Comprehensive stormwater and wastewater recycling is fundamentally required to save Adelaide Coastal Waters of Gulf St Vincent and not to wean Adelaide off the Murray. For the Murray to continue to flow to the Murray Mouth all South Australians need to demand South Australia's fair share. It is the biggest users and the eastern states that have dramatically increased consumption. This is where the changes need to be made under the new basin plan particularly when inflows result in low flows, drought and emergency situations. The basin plan needs to respect South Australia's long term prudence in capping its division to ensure the sustainability of the river system under its total minimum entitlement of 1850 GL flow into South Australia. The minimum entitlement is critical to South Australia and needs to be reviewed up and not down. For too long the new Basin Plan has been an excuse by the Federal Government for not taking action, and of course this is very convenient while it is going flat-out to support the Murray-Darling Rivers Privatisation whilst it claims it is buying water for the environment. Nearly all of this water is low security water and is being purchased to give irrigators a soft landing when the new Basin Plan is issued, fool the public into thinking that Governments are saving the environment and critically helping to consummate the new water market and strengthen Commonwealth powers under the Constitution associated with interstate trade.

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## River Murray Structure Overview (Slide 13)



## National Water Commission (NWC) 2008-09 National Water Market Report (No. 2):

1,800 GL of entitlements and 2,158 GL of temporary water traded

The dependency of Adelaide's water supply on the River Murray varies like the climate, and ranges from as little as 40 GL in a wet year to 200 GL in a drought. The average is 80 GL which represents just 1% of average diversions from the River Murray. Average flows to the Murray Mouth pre-2000 averaged around 5,000 GL per year.

One of the significant problems with the Murray-Darling Basin Agreement is that the water sharing arrangements have been largely unchanged since 1915 except for the changes made in 1989 and by COAG. South Australia's minimum entitlement of 1850 GL does not apply when either NSW or Victoria is predicted to hold a reserve of less than 1250 GL in MDBA storages at the end of May. When this happens, the Special Accounting provisions of the Murray-Darling Basin Agreement apply. During periods of water shortage, River Murray water resources, controlled by the MDBA, must be shared equally between the NSW, Victoria and South Australia. Menindee Lakes does not fall under MDBA control until the volume exceeds 640 GL. It reverts back to NSW control once the level falls back to 480 GL. The MDBA only controls Dartmouth and Hume Dams, Lake Victoria and Menindee Lakes under certain conditions. The combined storage capacity of these dams when full is 9,304 GL, 5 times South Australia's minimum entitlement and nearly 52 times the water entitlement of the city of Adelaide and the towns of South Australia which amounts to 180 GL.

During special accounting, South Australia is entitled to one third of the total MDBA resource either as a flow or as minimum reserve, limited to a maximum of its Entitlement Flow. Special accounting **excludes** inflows from state tributaries which are marked in "purple". South Australia's dilution flow to maintain water quality of 58 GL per month is assured under Special Accounting.

I would like to suggest that Special Accounting was never designed to cope with what CSIRO have defined as a once in a 300 year drought in some areas of the Southern Basin. The Southern Basin is normally the most productive area for water in the whole of the MDB. It was also never designed to cope with the new water market which essentially is intended to allow free trade in water, and transform a water license into a commodity, a fixed property right which it is not. The High Court of Australia has over the last six months rejected a claim for compensation by irrigators in the MDB seeking



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compensation for significant reductions in allocations to underground water. Not unsurprisingly Governments and the media have largely ignored the findings of the High Court and have continued their water privatisation agenda.

#### **ICM Agriculture Pty Ltd v The Commonwealth [2009] HCA 51**

*High Court of Australia* 9<sup>th</sup> December 2009

Clause 55 "The second point of interest is that the language of the 1896 Act and the 1912 Act does not disturb the common law notion that water, like light and air, is **common** property not especially amenable to private ownership and best vested in a sovereign state[55]."

<http://www.austlii.edu.au/au/cases/cth/HCA/2009/51.html>

The South Australian government under the guise of "special drought arrangements" has allowed the basic principles of the "Special Accounting" provisions to go on and on, for far too long, they have let the State down. It is public policy of the NSW government to drive the system hard instead of conserving water and this is clearly evident from diversion records despite the significant reduction of in-flows that started to take place in the late 90's. This has been compounded by the false hope of the new national water market which has allowed the transfer of water from the tributaries to those with the deepest pockets for use by private sector whilst those very same tributaries have been excluded from being shared with South Australia to ensure NSW and Victoria meet their obligation to supply SA's minimum entitlement of 1850 GL. Public interest has been largely excluded.

This is why there must be a National State of Emergency in the MDB to address South Australia's shortfall. At the present time there is no incentive for the NSW or Victorian governments to address South Australia's low flows except by market mechanisms which basically mean more money for these states as they have the most water and higher costs for all South Australians who are being made to purchase water on the new water market when it should have been supplied as part of the common good as provided for by section 100 of the Australian Constitution.

#### ***Australian Constitution Section 100 - Nor abridge right to use water***

*The Commonwealth shall not, by any law or regulation of trade or commerce, abridge the right of a State or of the residents therein to the reasonable use of the waters of rivers for conservation or irrigation.*

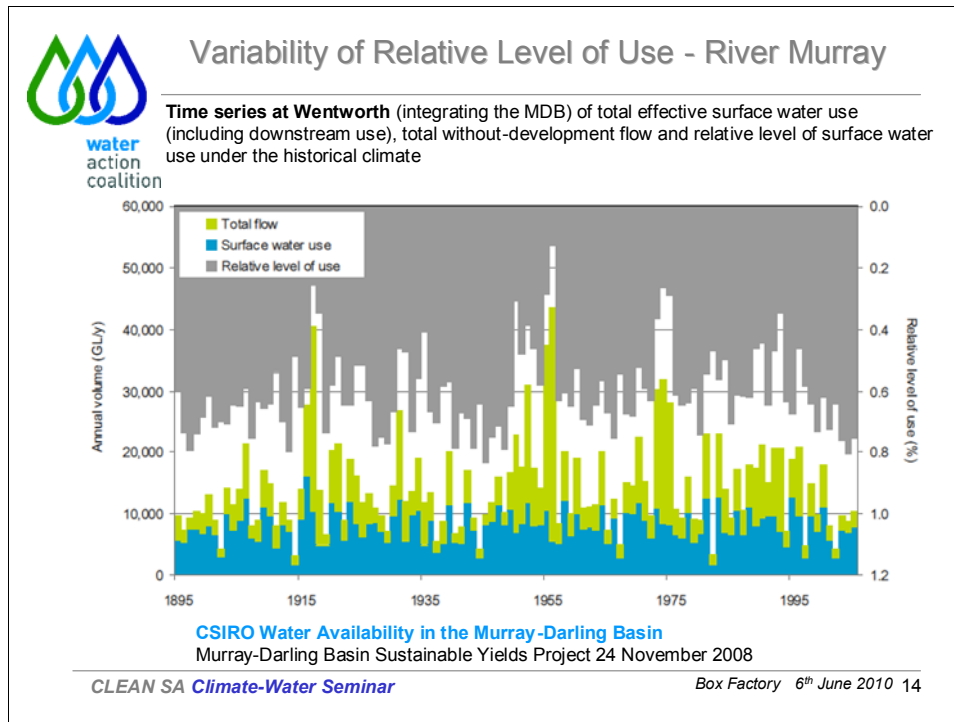
Isaacs Isaacs who was the Victorian delegate at the Constitutional Convention in the early 1900s when section 100 was being discussed, and quoting from the book "Isaacs stressed the need for a decision to be made on its merits from a national perspective, given that rivers "by their very existence and course, are the common property of Australia" (page 63 Water Politics in the Murray-Darling Basin). Sir Isaacs Isaacs when on to become a Commonwealth Attorney-General, Chief Justice of the High Court and Governor General of Australia.

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### Variability of Relative Level of Use – River Murray (Slide 14)



This is perhaps one of the most important slides produced by the CSIRO's Sustainability Yields project as it shows what the water sharing arrangements mean in practice and that culture of malpractice of sharing water with the environment has been going on not only in the recent history but for a very long time. When there are very big floods, diversion can be very small but during droughts it can range up to 80% of inflows. It is this practice that has continued during this protracted drought that needs to be turned on its head. There needs to be a focus on conservation and an orderly shut-down of opportunity crops and a cap placed on permanent plantings that minimise the effect of the drought on the environment and public use of water by residents.

The deep droughts as we have just experienced have been devastating for the environment and communities along the River Murray corridor of South Australia. This has been compounded by Governments who have used climate change to create political fear in the population and gamble on handing over scarce natural resources over to the market to control. The expedient method of political problem solving has been used of Problem-Reaction-Solution instead of the more methodical and transparent Problem-Inquiry-Design-Implement path of corrective action.

The following selected quotes from a paper dated 15<sup>th</sup> February 2010 "[Economics of Water Reform in the Murray-Darling Basin](#)" by R. Quentin Grafton of the Centre for Water Economics, Environment and Policy of the ANU and submitted to the recent Productivity Commission Inquiry underscore the points above:

Page 1 "The 'Big Dry' in the southern part of the Basin, on-going since 2001, has placed many environment assets in a critical state. This is not only because of reduced inflows due to the drought, but *because of a proportionally much greater decline in water allocated by States to environmental flows relative to diversions by irrigators* (Connell and Grafton 2008)".

Page 3 "In addition to allocating water to entitlement holders, states also provide 'planned' or 'rules-based' water to the environment under water resource plans. This planned or rulesbased water is, however, not a fixed entitlement despite the Cap because of the operational rules of water management. *As a result, in many water sharing plans the proportion of rules-based water allocated to the environment declines with inflows to accommodate the needs of irrigators.*"

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Page 3 "For the period 2002-2007, average annual net inflows in the Murray River totalled 3,986 GL — the lowest recorded for a five year period."

Page 4 "It has also resulted in the proportion of inflows diverted for agriculture in the River Murray to increase from less than 50 per cent in the 1980s and 1990s to 76 per cent over the period 2000-2008 (Grafton and Jiang 2010).

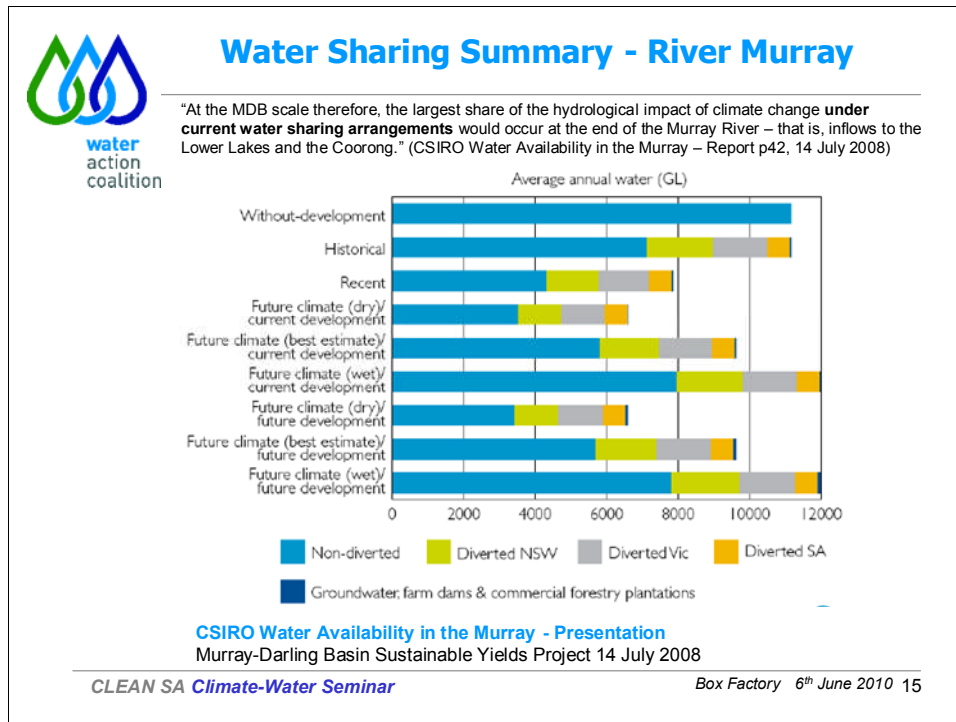
Page 4 "The impact of the drought on the environment has been greater in terms of reduced flows because of the way regulated water is allocated in many parts of the Basin. Under existing water sharing rules reductions in water diversions are typically much smaller than the actual declines in inflows. Rules-based' or 'planned' water for the environment is, typically, treated as a residual after allocations to water diversions (Connell 2007a), and incurs a greater proportional reduction in volumes as inflows decline. *Suspension of water sharing plans that have specified volumes of water for the environment has exacerbated this problem* (Hamstead et al. 2008).

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## Water Sharing Summary – River Murray (Slide 15)



“At the MDB scale therefore, the largest share of the hydrological impact of climate change **under current water sharing arrangements** would occur at the end of the Murray River – that is, inflows to the Lower Lakes and the Coorong.”

(CSIRO Water Availability in the Murray – Report p 42, 14 July 2008)

The above chart summarises CSIRO effects of climate models ranging from dry to wet. Best estimate refers to the median or middle model predictions out to 2030.

You can see that South Australia's diversion entitlement remains constant; however as can be seen from the previous slide, over-allocation of irrigation licenses in the eastern states exacerbates the management problems as flows decrease. There will always be an over-allocation problem. The management of the system needs to be designed around actual inflows, conservation for future years and choices over what the water can be used for as flows change due to natural climate variability. There may be a role for markets in an irrigation district but not for widespread transfers within the basin. Given the wide variability in the Australian climate, this approach will result in Australia being able to adapt to climate change whether it becomes wetter or dryer as diversions will be based on a share of inflows and conservation for future years. These are choices that only politicians can make on behalf of its residents as there are many aspects to consider such as food security and ensuring food production for Australians takes place as close to population centres if we are to become a leaner and less wasteful society in the face of climate-change.




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## John Caldecott Speach Notes (Issue 1.1)

### South Australia's Right to Divert Water from the River Murray (724 GL) (Slide 16)



### South Australia's Right to Divert Water from the River Murray (724 GL)

For Consumptive Purposes under the Murray Darling Basin Agreement as it appears in Schedule 1 of the Water Act 2007 (Commonwealth) (MDBNRM 2009)

Consumptive Purpose	Maximum Volume of Water (Gigalitres)
Water supply purposes delivered to Metropolitan Adelaide and associated country areas	<b>650 GL</b> (over any five year period)
Through the Swan Reach-Stockwell, Mannum-Adelaide and Murray Bridge-Onkaparinga pipeline systems.	<b>130 GL average per year (18% of 724 GL)</b>
Lower Murray Swamp irrigation	<b>94.2 GL</b> per year consisting of <b>(13%)</b> : 72.0 GL for irrigation, stock & domestic 22.2GL for environmental land management
Country Town Water Supply Purposes	<b>50 GL</b> per year <b>(7%)</b>
Other Purposes <b>(Mostly Irrigation)</b>	<b>449.9 GL</b> (long term average annual diversion) <b>(62%)</b>

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To put South Australia's entitlement into perspective, earlier this year it was announced that Carrington Farms is being put up for sale. Carrington Farms is privately owned and comprises 16 dryland and irrigated properties in six groupings covering 57,370 hectares of land stretching for 80 kilometres along the Macintyre River which straddles the Queensland / NSW border. The properties are licensed to store 85 GL of water in 29 dams and hold water licenses for 160 GL, or 22% of South Australia's total allowable diversion for consumptive use. The enterprise is expected to fetch from \$300 to \$400 million. According to Ticky Fullarton in the 2001 book "WaterShed" page 231, water is stored in huge 5-metre dams where water evaporation amounts to 2 metres per year. The infamous Cubbie Station has water licenses for 500 GL of water. "It brings in \$50 million a year (2001), but compare this with the entire South Australian agricultural product grown under a self-imposed cap of 700,000 megs per year, which brings in billions of dollars a year!".






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**John Caldecott Speech Notes (Issue 1.1)**

## New Allocations July 2008 & Actual Average Demands for River Murray 2003 to 2008

(Slide 17)

 <b>New Allocations July 2008 and Actual Average Demands for River Murray 2003 to 2008</b>				
Allocations and Actual Average Demands for River Murray Prescribed Watercourse Water 2003/04 to 2007/08 (MDBNRM 2009) – Annual Average 573.8 GL vs. Cap 724 GL				
Water Use Purpose	Allocations of Water endorsed on Licenses as at July 2008 (expressed as gigalitres that may be taken and used in a water-use year)		Actual Average Demand 2003/04 to 2007/08 (expressed as gigalitres taken and used in a water-use year) <sup>1</sup>	
irrigation	554.0	(68.9% of 805 GL)	381.8	(53% of 724 GL)
industrial	4.2	(0.52%)	2.8	(0.39%)
Stock and Domestic	6.8	(0.84%)	5.1	(0.7%)
Recreational & environmental	22.9	(2.8%)	16.8	(2.3%)
Metropolitan Water Supplies	650 (over a rolling five year period) i.e. 130 GL five year average (16%)		97.0	(13.3%)
country town Water Supplies	50.0	(6.2%)	31.3	(4.3%)
Wetlands	15.8	(2%)	13.3	(1.8%)
environmental Land Management	21.3	(2.7%)	25.7	(3.6%)

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For decades South Australia has used the least amount of water while our irrigators have been the most productive and efficient in their use of water. Of course all this has been forgotten now that water is worth even more as a commodity than what it is to grow crops particularly in the eastern states. As you will see later South Australia controls only 6% of water entitlements in the regulated systems of the MDB.

## Political Aspects of Climate & Water River Murray Privatisation

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John Caldecott Speech Notes (Issue 1.1)

### Time Line of Some Key Decisions / Events (Slide 18)



#### Time Line of Some Key Decisions/Events

- 2 September 2004 - **SA NRM Act 2004**
- 16 March 2006 SA's **Daily Cross-Border flow fell below 5,068 ML**  
– Daily average required to achieve 1850 GL
- June 2006 Department of the Prime Minister and Cabinet **National Water Initiative Water Trading Study Final Report** (304 pages)
- 3 March 2008 – **Water Act 2007 Commenced**
- 17 April 2008 - **50 GL Adelaide Desalination Plant declared a Major Project**
- 1 July 2008 - **805 GL of water authorised to be taken as allocations** from the River Murray Prescribed Watercourse due to water trading – **an increase of 76 GL for irrigation, cap up from 729 GL.**
- **July 2008 CSIRO Sustainability Yields Project** – Murray Region Report
- December 2008 – **National Water Commission's 1<sup>st</sup> Water Market Report**
- 26 February 2009 – **Capacity of Adelaide Desalination Plant increased to 100 GL**
- 23 April 2009 - **SA Irrigation Act** (Comply with Water Act 2007)

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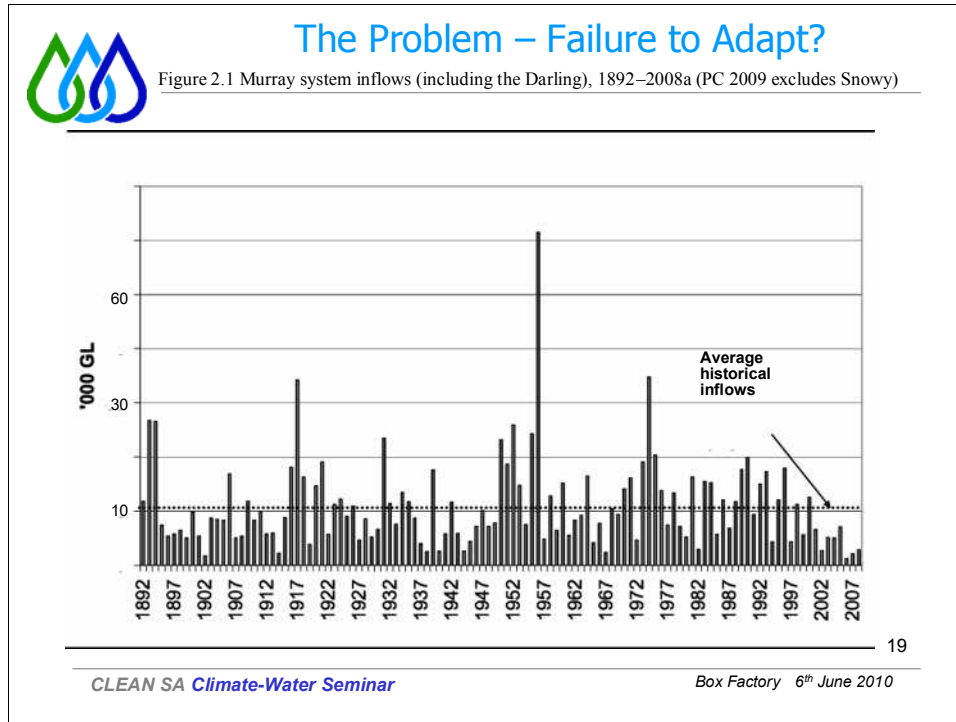
This is but a snap shot of some of the key events that have taken place to establish the new National Water Market. The point I want to get across is that [Augusto Pinochet](#) used a dictatorship to openly privatise water in Chile in 1980 by unilaterally changing Chile's constitution. In Australia it has been covertly done by changing legislation in small pieces all over the place over a long period of time. So strong has the consensus between politicians, the media and so called environmental groups been that hardly ever has the word "water privatisation" or "Murray-Darling privatisation" been used. I don't recall the Australian newspaper ever coming forward, whenever it published stories about COAG's big announcements on water reform, to suggest to politicians that by the way, do you realise you are privatising the natural water resources of this country and you will need to gain the approval of the Australian people before you get too far down the track by holding a referendum. This is the biggest scandal in Australia's history.

# Political Aspects of Climate & Water River Murray Privatisation

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John Caldecott Speech Notes (Issue 1.1)

## The Problem – Failure to Adapt? (Slide 19)



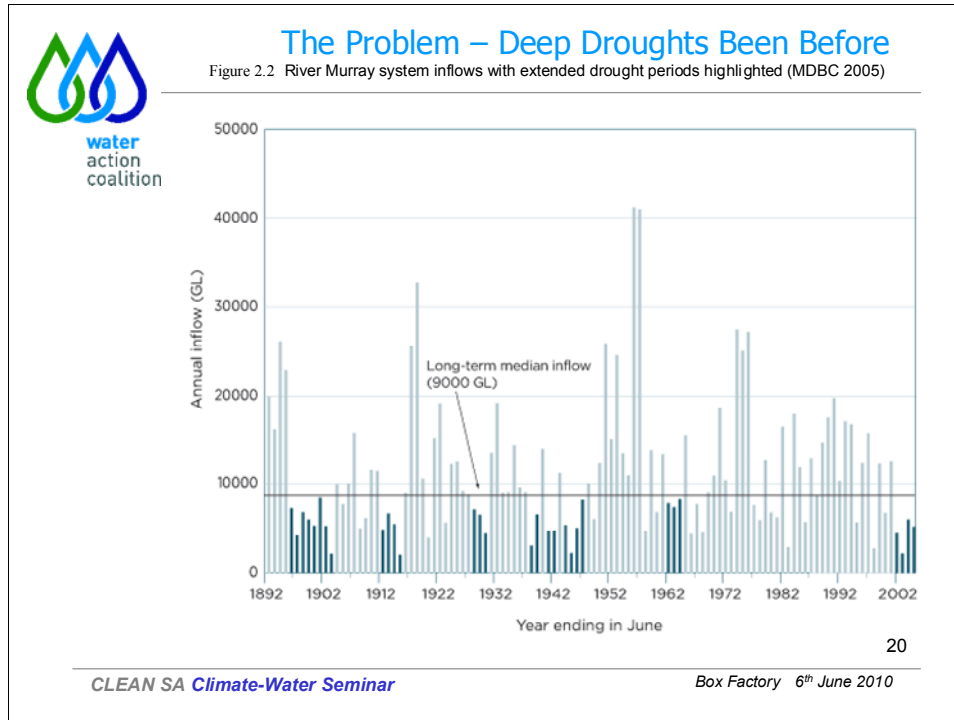
As you will see later the downward trend in inflows has been evident for some time, since the late nineties. The continuance of low flows in 2002 should have rung alarm bells in all Governments of the Murray-Darling Basin. But no they didn't worry as the new water market will take care of these problems as markets can do no wrong or so they thought. That was before the Great Financial Crisis.

## Political Aspects of Climate & Water River Murray Privatisation

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John Caldecott Speech Notes (Issue 1.1)

### The Problem – Deep Droughts Been Before? (Slide 20)



As you can see there have been deep protracted droughts before. The Federation drought was just as severe in the early 1900s and again in the 1940s. So why the problems with SA's water supply?

**Some Clues:** page 14 "Background to water management in the NSW Murray and Lower Murray-Darling river systems" May 2006 (NSW Government Department of Natural Resources)

"Typically, NSW makes as much water available to licensed water users in any year as is available to the State, within the limits of the Murray-Darling Basin cap. This maximises water use in any one year but means that NSW maintains minimum water reserves for the next year. This is a deliberate policy of NSW that ensures that it is the decision of the individual user whether to use water or not to use the water they are entitled to, trade the water or save some to carry-over into the following season."

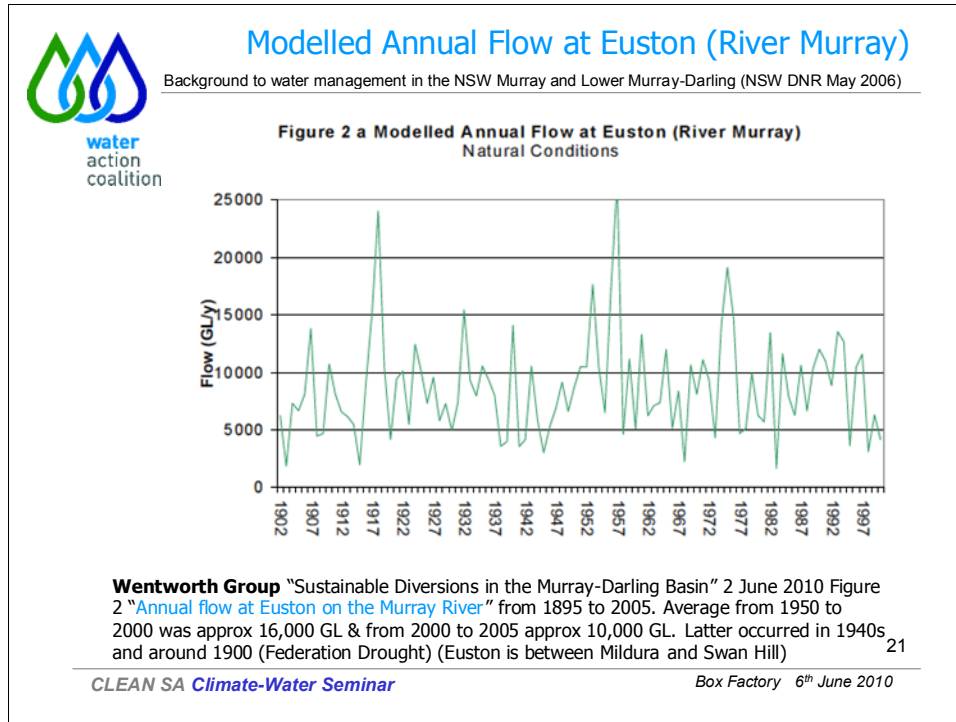
This is great for NSW irrigators but not great in terms of meeting its shared responsibility with Victoria to guarantee South Australia's minimum entitlement.

# Political Aspects of Climate & Water River Murray Privatisation

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**John Caldecott Speech Notes (Issue 1.1)**

## Modeled Annual Flow at Euston on River Murray? (Slide 21)



The Wentworth Group published their "Sustainable Diversions in the Murray-Darling Basin" on the 2<sup>nd</sup> July - Figure 2 "Annual flow at Euston on the Murray River" from 1895 to 2005.

Average from 1950 to 2000 was approx 16,000 GL & from 2000 to 2005 approx 10,000 GL. The latter occurred in 1940s and around 1900 (Federation Drought) (Euston is between Mildura and Swan Hill).

South Australians are entitled to ask where is our reasonable share under section 100 of the Australian Constitution. The River Murray should not have to pay for a fair share of water which is the common property of Australians and is supposed to being held as a Public Trust.




# Political Aspects of Climate & Water River Murray Privatisation

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## John Caldecott Speech Notes (Issue 1.1)

### Irrigation Allocation History – SA Murray vs. Victorian Murray & Goulburn (Slide 21)



### Irrigation Allocation History

#### SA Murray vs. Victorian Murray & Goulburn

Irrigation Season	Water allocation as a % of water right		
	Murray System (South Australia)	Murray System (Victoria)	Goulburn System
2000/2001	100	200	100
2001/2002	100	200	100
2002/2003	100	129	57
2003/2004	65 to 95	100	100
2004/2005	70 to 95	100	100
2005/2006	70 to 100	144	100
2006/2007	80 to 60	95	29
2007/2008	4 to 32	43	57
2008/2009	2 to 18	35	33
2009/2010	2 to 48 (Jan-10)	100	71

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The table illustrates the allocations on the two main irrigation systems over the past 10 years in Victoria, including the South Australian section of the River Murray.

Note (Victorian Allocations): The table expresses water allocations as a percentage of water right. Due to changes in water policy future allocations will be expressed as allocations against HRWS and allocations against LRWS." (High Reliability Water Shares (HRWS) and Low Reliability Water Shares (LRWS)).

<http://www.murraydairy.com.au/water-victoria.html> (1991 to 2007)

<http://www.g-mwater.com.au/news/allocation-announcements/archive.asp> (2008 to 2010)

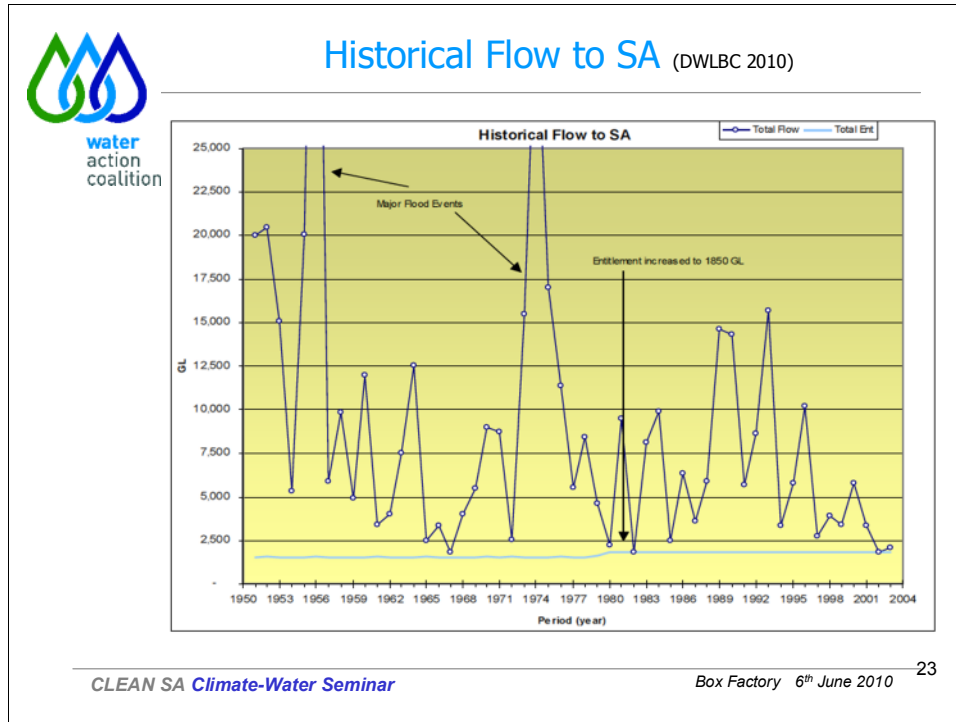
SA River Murray Irrigation History not sourced from the above web sites and it is assume that the allocations from 1991 to 2003 where 100% as SA diversions are capped. Over allocations above an entitlement need to be outlawed and the excess stored for future years. The practice of over allocating beyond a water entitlement helps to explain why the storage potential of the MDB has never looked close to being realised. This is another area that needs urgent investigation (see slide 27).

# Political Aspects of Climate & Water River Murray Privatisation

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John Caldecott Speech Notes (Issue 1.1)

## Historical Flow to SA (Slide 23)



This graph underscores the need for a National State of Emergency in the MDB to immediately be called to restore South Australia's minimum flow entitlement of 1850 GL. [Fair Water Use \(Australia\)](#) has published draft terms of reference for both a State of Emergency and a complementary Royal Commission on their website.

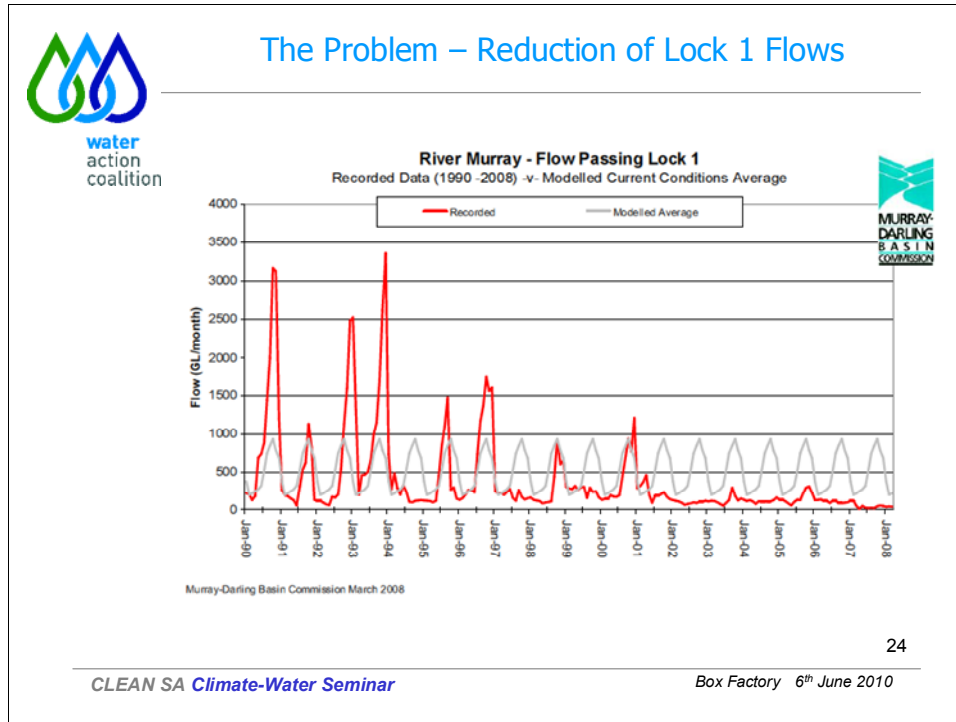
A Royal Commission into the mismanagement of South Australia's entitlements and environmental heritage of the River Murray to the sea, Gulf St Vincent and Spencer Gulf. [Draft Terms of Reference](#) for this inquiry has been produced by WAC.

## Political Aspects of Climate & Water River Murray Privatisation

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John Caldecott Speech Notes (Issue 1.1)

### The Problem – Reduction of Lock 1 Flows (Slide 24)



### Market Mechanisms for Recovering Water in the Murray-Darling Basin

Productivity Commission Research Report 31 March 2010

<http://www.pc.gov.au/projects/study/water-recovery/>

See page 31 of the Productivity Commission Report "**Market Mechanisms for Recovering Water in the Murray-Darling Basin**" section "**Variation of environmental water**" and see graph:

"The National Water Commission (NWC 2009b) points out that current water plans do not adequately address water sharing arrangements in very dry conditions. The situation has been exacerbated by recent state government suspensions of water plans, and by borrowing from environmental allocations, so that consumptive needs can be met (NWC 2009b). Furthermore, the volume of water for the environment also declined following the introduction of the Cap, due to an increase in groundwater extraction and floodplain harvesting (MDBC 2000). To the extent that groundwater is connected to surface water, and that floodplain harvesting reduces flow in waterways, growth in the use of these forms of water decreases the amount available for the environment."

This was also pointed out, but not as well in CSIRO's "Sustainability Yields" project.

### Market Mechanisms for Recovering Water in the Murray-Darling Basin

Productivity Commission - Submissions

<http://www.pc.gov.au/projects/study/water-recovery/submissions>

Extract from DR81 page 3 referenced in the above section – see graph and DR82 has lots of interesting graphs

"The Big Dry





## Political Aspects of Climate & Water River Murray Privatisation

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### John Caldecott Speech Notes (Issue 1.1)

The past decade has witnessed a sharp drying trend in the southern part of the Basin that provides, on average, about 80 per cent of the river flows of the MDB. The Big Dry has been caused by both reduced rainfall and also higher temperatures that have increased evapo-transpiration. As a result, the proportion of agricultural land declared as being under 'exceptional circumstances', a proxy measure of the impact of the drought, has increased from about 5% in 2000 to about 70% in 2009 (Australian Bureau of Statistics, Australian Bureau of Agricultural and Resource Economics and Bureau of Rural Sciences 2009, p. 92). For the period 2002-2007, average annual net inflows in the Murray River totalled 3,986 GL — the lowest recorded for a five year period. This is much less than in any other recorded drought. By comparison, net inflows averaged 5,501 GL over the period 1940-45 and 5,707 GL over the period 1897-1902 during the Federation Drought (see Figure 1). This has translated into much reduced water diversions by irrigated farmers of between 30 and 50 per cent (see Figure 2 for the Murray River) and virtually no flows to the River Murray Mouth (see Figure 3).


It has also resulted in the proportion of inflows diverted for agriculture in the River Murray to increase from less than 50 per cent in the 1980s and 1990s to 76 per cent over the period 2000-2008 (Grafton and Jiang 2010). The impact of the drought on the environment has been greater in terms of reduced flows because of the way regulated water is allocated in many parts of the Basin. Under existing water sharing rules reductions in water diversions are typically much smaller than the actual declines in inflows. 'Rules-based' or 'planned' water for the environment is, typically, treated as a residual after allocations to water diversions (Connell 2007a), and incurs a greater proportional reduction in volumes as inflows decline. Suspension of water sharing plans that have specified volumes of water for the environment has exacerbated this problem (Hamstead et al. 2008)."

## Political Aspects of Climate & Water River Murray Privatisation

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John Caldecott Speech Notes (Issue 1.1)

### Future Predictions for acid sulfate soils and lake acidity (Slide 25)



#### Future Predictions for acid sulfate soils and lake acidity (Lower Lakes)

"South Australia has a current minimum inflow in 2008-09 of 900 GL. Modelling predicts that, under this scenario, the pH of Lake Alexandrina could drop to 7. At pH 7 freshwater ecosystems will continue to function. But if the current downward trend in water level continues, the acidity of the lake could fall below pH 6.5 in the summer of 2009-2010.

**If flows into SA increase to 1 850 GL/yr then the pH of Lake Alexandrina will remain steady at 9."**

Murray-Darling Basin Natural Resource Management Board  
developed for the Murray-Darling Basin Ministerial Council

"Lake Alexandrina and Albert Ecological Condition Progress Report" April 2008

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There is an excellent report prepared by the Murray-Darling Basin Natural Resource Management Board developed for the Murray-Darling Basin Ministerial Council "[Lake Alexandrina and Albert Ecological Condition Progress Report](#)" dated April 2008 that everybody should read.

#### *Future predictions for acid sulfate soils and lake acidity (page 15)*

"South Australia has a current minimum inflow in 2008-09 of 900 GL. Modeling predicts that, under this scenario, the pH of Lake Alexandrina could drop to 7. At pH 7 freshwater ecosystems will continue to function. But if the current downward trend in water level continues, the acidity of the lake could fall below pH 6.5 in the summer of 2009-2010. If flows into SA increase to 1,850 GL/yr then the pH of Lake Alexandrina will remain steady at 9."

#### *Recovery (page 17)*


"There is still hope for recovery if water is made available to manage the Lakes. Significant improvement in the health of the Lakes ecosystems will only begin once the lake levels reach +0.3m AHD. From current levels, this would require in excess of 600 GL of water. This would still not be sufficient to achieve reconnection with the Coorong, which would occur at around +0.65m AHD and require approximately 800 GL. Once Lake levels reach +0.65 m AHD, all fishways are operational. Regular flushing and fishway operation would begin to restore connectivity between the Mouth, Coorong and Lakes enabling fish to migrate and complete their life cycles."

# Political Aspects of Climate & Water River Murray Privatisation

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John Caldecott Speech Notes (Issue 1.1)

## Climate Change Impact (Slide 26)



### Climate Change Impact

(CSIRO Sustainability Yields Project – Selected Quotes)

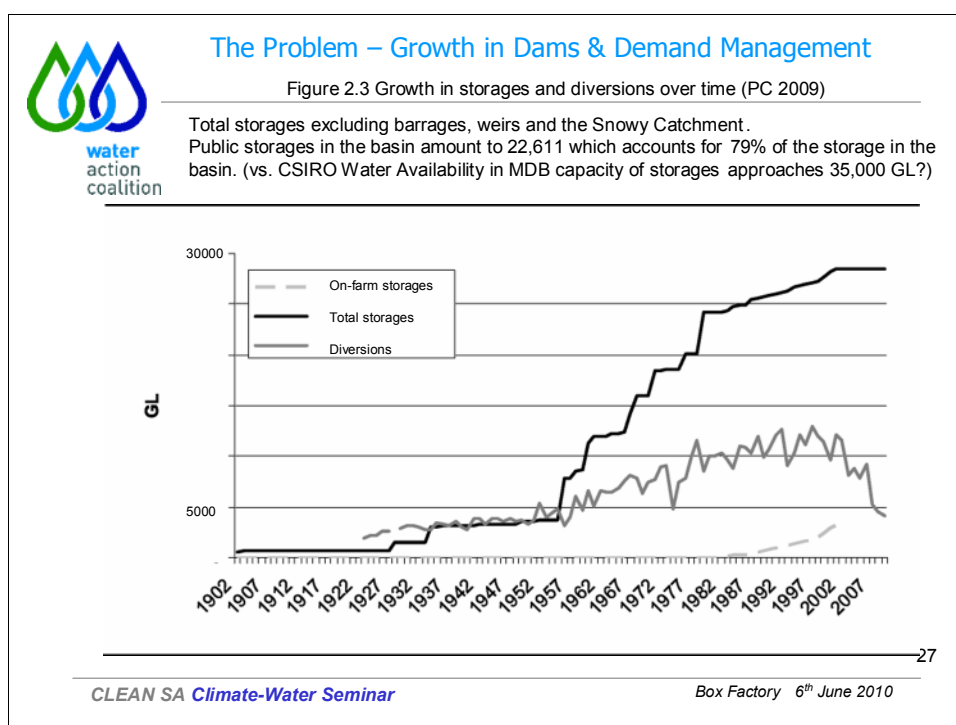
- **Water Availability in the Murray – Presentation 4 July 2008**
  - "Adelaide and SA rural town water supply would be **unaffected** under this or any 2030 climate (change model) scenario"
  - "The modelling indicates that levels in the Lower Lakes **would not fall below mean sea level** under any 2030 climate (change model) scenario, although minimal lake areas would be lower than under the historical climate in very dry years" (assumes full implementation of SA allocation practices)
  - The south of the MDB was in severe drought from 1997 to 2006 – in places a **1 in 300 year event without climate change**. The drought has continued in 2007 and 2008
- **Water Availability in the MDB – Presentation 25<sup>th</sup> November 2008**
  - Under the **median 2030 climate** water availability would fall by 11% – 9% in the north and 13% in the south
  - The range of possible climate outcomes is wide due to the uncertainty inherent in current climate models
  - Under current arrangements 11% less water **would only reduce average use by 4%**;
  - **the majority of the impact would be borne by the environment**

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These are the conclusions from CSIRO's largest research and most politically scrutinised project ever and again, these conclusions do not justify the building of Desalination Plants in our Gulfs or the disconnecting of the Lower Lakes from the River Murray. Again grounds for a Royal Commission in South Australia

## The Problem – Growth in Dams & Demand Management (Slide 27)





# Political Aspects of Climate & Water River Murray Privatisation

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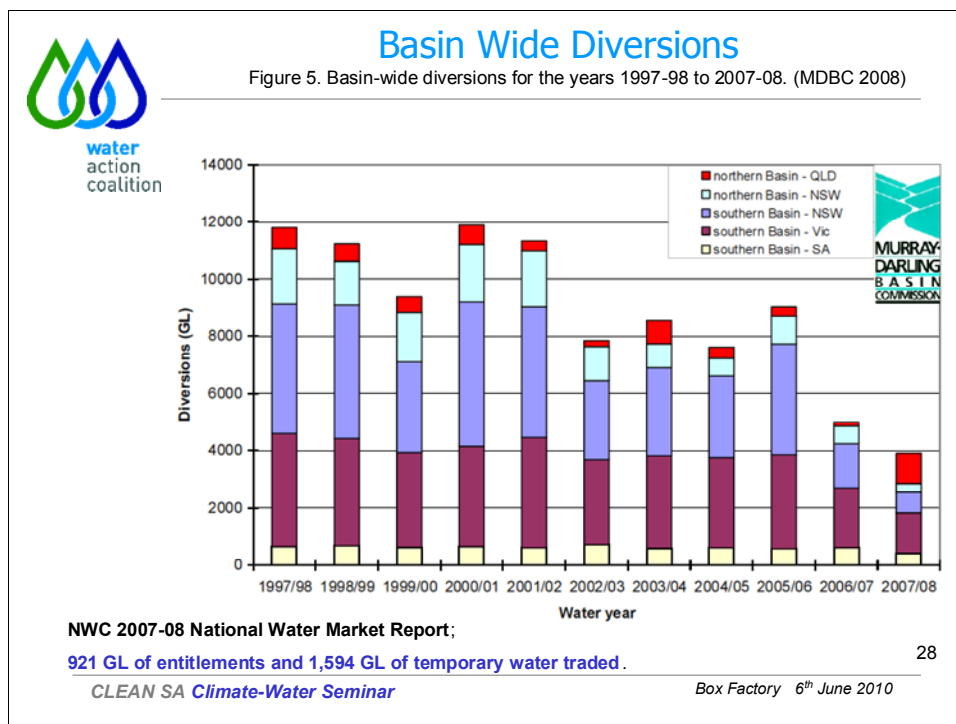
## John Caldecott Speech Notes (Issue 1.1)

There are 65 major storages and 600,000 private dams in the MDB capable of diverting one and half times the average flow of every river in the basin and 25,560 km of irrigation supply and drainage channels. It is time a full audit of all water storages is conducted that includes all forms of water storage including flood plain harvesting, private dams, irrigation supply, drainage channels and pipe systems.

Dams were built together with weirs, locks and barrages to drought proof or climate proof the Murray-Darling Basin and protect consumption from the variation in climate. The system goes pear-shape when demand is not effectively managed which the following slides demonstrate.

A significant proportion of all water (mostly Northern Basin and South-Eastern Mt Lofty Ranges) is held by private storages. However, as you will notice the system is still capable of diverting around 5,303 GL (2006/07) - 10 years into a protracted drought. These are in fact record figures given the severity of the drought over the 111 years of records of the MDB.

### Basin Wide Diversions (Slide 28)



### NWC 2007-08 National Water Market Report;

921 GL of entitlements and 1,594 GL of temporary water traded.

As you can see when the Lower Lakes began to suffer, basin-wide diversion continued to treat each year one at a time as if the good times would return the following year. The reduction of inflows that began in 2002 was ignored, except in South Australia when the death by a thousand cuts to the river, ecology and communities that were abandoned as the drought deepened.

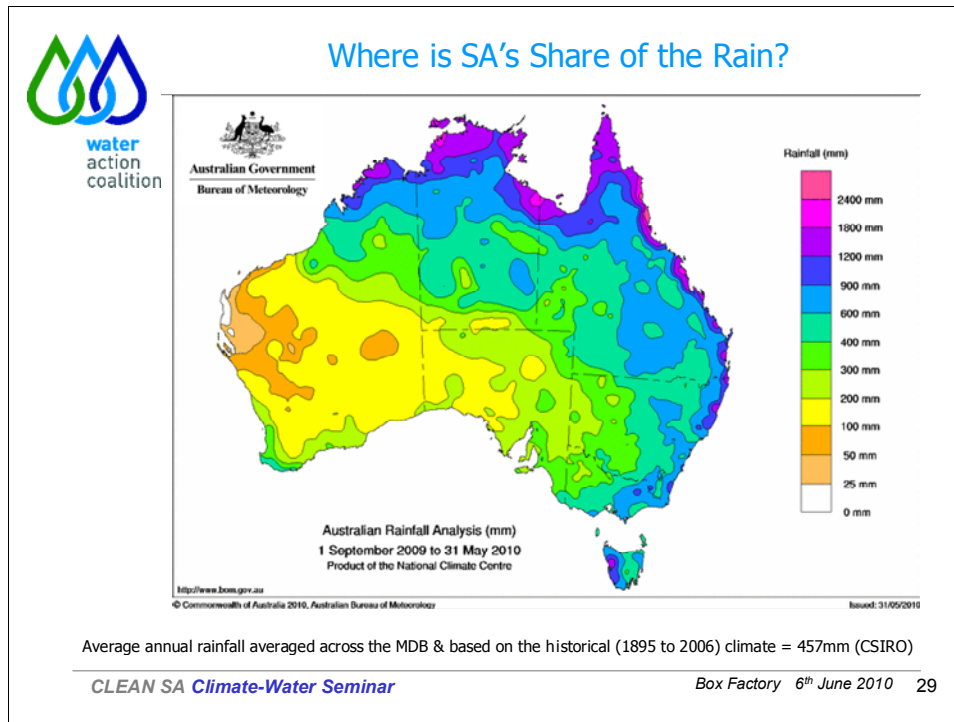
A Royal Commission is needed to determine whether this was the result of reckless mismanagement given the emergence of the new water market in 2007 and to determine the changes that need to be made to the governance of the MDB so that mistakes of the past are never repeated in the future.

## Political Aspects of Climate & Water River Murray Privatisation

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John Caldecott Speech Notes (Issue 1.1)

### Where is SA's Share of the Rain (Slide 29)



### Is the Murray Below Lock 1 Ready for Floods?

This is a record of the considerable rainfall that the Murray-Darling Basin has received in the summer of 2010 and it was still raining in March 2010. Because the river below Lock 1 has been left to dry out for too long a 120 km of government and private levee banks have cracked, heaved and deflated. River banks have cracked and slumped into the river.

Again more grounds of an immediate National State of Emergency focused on relieving South Australia's Murray disaster.

(For graphic images of the destruction see the following presentation given in the United States dated 14<sup>th</sup> January 2010 [Environment Panel - Preserving our heritage](#) by Scott Ashby, Chief Executive, Dept. of Water, Land, and Biodiversity Conservation, Government of South Australia. This presentation was part of the [G'Day USA 2010: Australia-US Water Sustainability & Management Forum](#) (Los Angeles, 14 January 2010))

### A dry argument: a future for dairy in the Murray Basin?

Report of the Lower Murray Darling Basin Inquiry November 2009 by The Allen Consulting Group Part 1 (selected quote)

Authors: Roger Beale AO (Chair), Dr John Radcliffe AM, FTSE and Peter Ryan

"The Murray Swamps are facing an economic and ecological disaster if water allocations and river levels typical of the last ten years continue. The reduction in allocations and in particular the reduction of the Environment Land Management Allocation have led to the loss of twenty million dollars of public and private funds invested in irrigation efficiency and sustainability improvement. It has also put at risk hundreds of kilometres of the River Murray levees. Failure to gradually re-wet the Swamps is likely to lead to environmental decay because the land is virtually unusable for dryland farming. The degree of cracking and heaving and the underlying Blanchetown clays make farming it uneconomic without irrigation. Failure to re-wet the Swamps will also increase the risk to the levees. If the levees fail these areas could become another potential source of high levels of evaporation as river levels are restored."



## Political Aspects of Climate & Water River Murray Privatisation

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**John Caldecott Speech Notes (Issue 1.1)**

[Report for Dairy Australia by Allen Consulting Group Part 1](#)

### **Report to Dairy Australia - Water Availability – Background Paper**

Final Report August 2009 by RMCG Consultants for Business, Community and Environment

#### **Selected Quote: Lower Lakes**

"The dairy industry on the Lower Lakes consists of the irrigated area between Narrung and Meningie and the dryland dairies south and east of Meningie. The district generally experiences hot dry summers and mild, wet winters. At present, 21 dairy farms choose to irrigate if possible, but are currently running as dryland operations. The Lower Lakes farms generally receive a reliable rainfall with an average rainfall of 466mm and a median of 456mm. For 2008, 394mm was received and the outlook for the remainder of 2009 is warmer and slightly drier than average. There is a 40 per cent chance of exceeding the median rainfall of 456mm, and an expectation the spring will be similar to 2008. The rainfall for this area has historically been consistent with the 10 per cent decile of 340mm. Rainfall occurs predominantly during the winter season, with 70 per cent falling from April to October. The "seasonal break" can vary from March to June, with the average being around the second week of May. Average annual evaporation ranges from 1500–1800mm.

The district is largely a coastal plain with overlying calcareous coastal dunes. These dunes trend north-west and south-east and are usually between 10-30 metres above sea level. Most sands are slightly acidic in the surface to neutral or slightly alkaline at depth. Because of the permeable nature of the mostly sandy soils, there is very little surface drainage throughout most of the area. Groundwater in the region is part of the groundwater system of the Murray–Darling Basin. From the high rainfall areas in Western Victoria, groundwater moves slowly in a westerly direction. Discharge from the system occurs to the Lakes, the Coorong or low lying salinised areas. Salinity levels of the watertable reach levels of up to 3000mg/l in the confined aquifers and are generally unsuitable for irrigating pasture or crops."


[Report for Dairy Australia by RMCG Consultants](#)

# Political Aspects of Climate & Water River Murray Privatisation

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John Caldecott Speech Notes (Issue 1.1)

## Agricultural Water Use 2004-2005 (Slide 30)



Agriculture Water Use 2004-2006 (PC 2009)

	2004-05		2005-06	
	Consumption	Share of agricultural water use	Consumption	Share of agricultural water use
	GL	%	GL	%
<b>Irrigated Pasture</b>	2 371	33	2 571	34
<b>Rice</b>	619	9	1 252	16
<b>Cereals (excl. Rice)</b>	844	12	782	10
<b>Cotton</b>	1 753	24	1 574	20
<b>Grapes</b>	510	7	515	7
Fruit (excl. Grapes)	399	6	413	5
Vegetables	152	2	152	2
Other Agriculture	546	8	461	6
<b>Total</b>	<b>7 204</b>	<b>100</b>	<b>7 720</b>	<b>100</b>

Source: ABS (2008b)

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Since 1997 MDB average inflows have been 5,700 GL/year vs. previous average inflows of 11,600 GL/year. MDB diversions for consumptive use during this period of time have averaged 8,893 GL/year. One of the questions that a Royal Commission needs to answer is; have the storages been allowed to run down deliberately to help facilitate the establishment of the new national water market in the Murray-Darling Basin? The total volume of water diverted is approximately 97,824 GL and South Australia's share of this water was a meagre 6% or an average of 549 GL/year<sup>1</sup> for a total of 6,037 GL.


You need to be aware that most water used for irrigation in the MDB is used for exports and is called virtual water. Water should have been prioritised to ensure South Australia received its minimum entitlement of 1850 GL to ensure sustainability of its environment, economy, communities and urban use. Any diversions need to be prioritised to ensure the needs of domestic urban water supply and food production is met before water is used for exports.

# Political Aspects of Climate & Water River Murray Privatisation

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## John Caldecott Speech Notes (Issue 1.1)

### MDB Water Market Prices (Slide 31)



### MDB Water Market - Prices

Table 3.4 Allocation and entitlement prices for selected entitlement types, 2008-09 (PC 2009)

Entitlement type	Average allocation price	Average entitlement price
	\$	\$
NSW Murray HS	363	2 564
NSW Murray GS	363	1 095
NSW Murrumbidgee HS	343	3 100
NSW Murrumbidgee GS	343	1 284
SA Murray HS	352	2 380
Vic Greater Goulburn HR	370	2 228
Vic Murray HR	340	2 174

**Cost of 100 GL of Temporary Water** \$37 Million vs. **Cost of 100 GL of Permanent Water** \$310 Million (Highest average prices used) vs. \$1.8 Billion for Adelaide Desalination Plant & Approx \$200 million to operate and power each year!

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Based on average temporary water price of \$370 per Megalitre, 100 GL of water would cost \$37 million vs. permanent high reliability water of \$3,100 per Megalitre at a cost of \$310 million. What Government in their right mind would build a 100 GL Desalination plant at a cost of \$1.8 billion with on-going operating and power costs of around \$200 million per year when there is no issue with water availability from the MDB? Already temporary water in the Southern Basin has fallen to around \$60 per Megalitre. An extra 50 GL of water, if required for the cities and towns of South Australia in 2010 would cost SA Water just \$3 million (6 cents per kilolitre). Compare that to what South Australian residents are being charged for their water by SA Water.

The Australian Financial Review revealed details on 20th January 2010 of the statement of claim that the South Australian Government has lodged with the High Court to remove barriers to water trade between the states. "The SA statement of claim itemises five separate deals, where SA Water had tried to spend about \$3.4 million buying a total of 1,365.6 megalitres of high-security water entitlements from Victorian vendors." Using these prices, 100 GL of permanent high reliability water would cost just \$245 million!

Why the South Australian Government is not simply demanding a fair share of all waters of the Murray-Darling Basin under section 100 of the Constitution is another question for a Royal Commission to answer.

Questions are already being raised as to the integrity of water pricing once the Melbourne Desalination Plant is commissioned:

#### Time to come clean on the cost of water

Ken Davidson The Age 31 May 2010

"Victorians haven't been told the full story on how much they could pay.

<http://www.theage.com.au/opinion/politics/time-to-come-clean-on-the-cost-of-water-20100530-wndy.html>




# Political Aspects of Climate & Water River Murray Privatisation

Clean SA Climate-Water Seminar  
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## John Caldecott Speech Notes (Issue 1.1)

### SA Water Allocations – Cost of Temporary & Permanent Water (Slide 32)



**SA Water Allocations – Cost of Temporary & Permanent Water**  
Highest Average Prices Used for 2008 – 2009 Year


Water Use Purpose	SA Allocations of Water Entitlements July 2008 (Total 805 GL)	Cost of Allocation (\$m) 2008-09 \$370 per ML	Cost of Entitlement (\$m) 2008-09 \$3,100 per ML
irrigation	554.0	205	1,717
industrial	4.2	1.6	13
Stock and Domestic	6.8	2.5	21
Recreational & environmental	22.9	8.5	71
Metropolitan Water Supplies	130 (five year rolling average)	48.1	403
country town Water Supplies	50.0	18.5	155
Wetlands	15.8	5.8	49
environmental Land Management	21.3	7.9	66
<b>SA Minimum Entitlement Environment</b>	1,045	387	\$3.2 B

This table is provided for illustration purposes.  
In reality water is common property & ultimately controlled by the states.  
It is nonsense that governments should have to buy back what was theirs in the first place.

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See Slide 31: For 2008 – 2009 the highest average allocation price of \$370 per ML and highest average entitlement price of \$3,100 per ML were used. Since the breaking of the drought, water prices have collapsed to below \$100 per ML for temporary water and I have seen prices for entitlements fall below a \$1,000 ML. If the Federal Government was serious about saving the Lower Lakes it would have entered the new national water market they have created and purchased the necessary temporary water. It has consistently failed to put the environment and has instead hid behind its purchases of water entitlements and the new Basin Plan when the real action lies with state water sharing plans.

### MDB Water Entitlements Market (Slide 33)



**MDB Water Entitlements Market**

Table 3.2 Tradeable water entitlements on issue, 2007-08 (PC 2009)

	Regulated systems		Unregulated systems		Groundwater	
	Number	Nominal volume (GL)	Number	Nominal volume (GL)	Number	Nominal volume (GL)
NSW	10 401	8 464	1 345	110	2 867	1 004
Victoria	37 260	3 550	7 704	162	6 236	490
Queensland	10 893	3 142	1 018	349	369	76
SA	3 703	980	223	1	5 719	215
ACT	27	64	0	0	114	1

Source: NWC (2008).

**Total Regulated 16,200 GL; Total Unregulated 622 GL; Total Groundwater 1,786 GL**  
**SA Share Regulated 6% Unregulated 0.2% Groundwater 12%**

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This is further evidence of the need for a Royal Commission, the tradable water entitlements on issue have all been given away for free by State Governments under the leadership of the Commonwealth Government. All this has been done to turn water into a commodity for free for the benefit of global financial markets. It also means there will be always over-allocation not only because of the huge number of entitlements granted but because of the natural variability of the MDB.

#### Gomersal Road Tanunda (Slide 34)



**Gomersal Road Tanunda SA** 4<sup>th</sup> November 2008

water  
action  
coalition

Conversion of viable dry broad acre farm to grapevine irrigation during the worst drought in history of the MDB

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What Government in their right mind would allow the conversion of a viable dry broadacre farm into irrigated vineyards from the River Murray in one of the most protracted droughts in history? Again more grounds for a Royal Commission in South Australia and we need get back to common-sense planning.

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#### State in Water & Environmental Crisis (Slide 35)



### State in Water & Environmental Crisis


- ◆ Disasters:
  - River Murray; Lake Bonney, below Lock 1, Lower Lakes, Coorong (& SE Wetlands) and Murray Mouth.
  - Adelaide Coastal Waters Seagrass & Reefs; stormwater, wastewater & soon desalinated water.
  - Upper Spencer Gulf; Point Lowly, unique population of cuttlefish typifies the unique marine ecology of Gulfs.
  - Rivers, creeks and underground water; over-used, pollution, natural ecology lost - some of the key issues
  - [What Do All These Issues Have in Common?](#)
  - The failure of the Federal Government COAG led Water Reform & Governments to take leadership for the common & public good of Australians.
  - Environmental disasters have economic and social consequences

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Just how much industrialisation can the Upper Spencer Gulf take? It is time substantive Environmental Assessments were carried out of sensitive ecology areas in South Australia that are likely to be targeted for future development. It is time the Government got on the front foot with respect to environmental matters before it is too late for future generations.

#### Recommendations (Slide 36 & 37)



### Recommendations - Local

- ◆ Campaign against the Consensus on Water Reform (Water Privatisation) is the main game; weirs, blocking dams, seawater solutions are distractions fragmenting the community when the problem is man-made, our politicians have failed us:
  - Critical all South Australians demand a fair share of all resources of the Murray, say no to water & river privatisation and work together (Country, City, Industry and Farmers).
  - The focus needs to be on demanding restoration of minimum (sustainable) entitlement of 1850 GL then a fair share of all inflows both now and in the future.
- ◆ The Basin Plan is unproven other issues to focus on:
  - Demand change to Murray-Darling Basin Agreement to ensure NSW, VIC and QLD are focussed on meeting their commitments to the needs of SA during all climate cycles.
  - Operation of the River to benefit the River & Consumptive Use.
  - Any sensible response to climate change needs to emphasise sustainability of the environment for all climate scenarios & prioritise local food production and local consumption
  - Great Complexity of Commonwealth Water Management Solution: COAG, MDBA, NWC, ACCC, BOM, Financial Markets, State Governments & Agencies – need to focus on all these.

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## Recommendations - Strategic

- ♦ Section 100 of the Australian Constitution only allows reasonable use by irrigators and residents (for climate cycles experienced in Australia):
  - > Plan & design for full variability of the Basin; Floods, normal flows, low lows, droughts and emergencies
  - > The whole Basin must work for the common good instead of behaving as greedy (water) bankers.
- ♦ A National State of Emergency must be established in the MDB with the full support of the Commonwealth to ensure water use is prioritised, and South Australia's minimum entitlement of 1850 GL is restored without delay whilst water sharing plans are suspended.
- ♦ A wide-ranging and public National Public Inquiry with the powers of a Royal Commission must be established to properly inform Australians of the problems created in the basin and determine the required long-term corrective actions.
- ♦ South Australia must also have a wide ranging and Public Inquiry with the powers of a Royal Commission to inquiry into the management of the Murray River in South Australia and the decisions and plans to build desalination plants in our Gulfs.
- ♦ Adelaide needs to establish plans to comprehensively harvest stormwater and wastewater and investigate using the Adelaide Desalination Plant to achieve that purpose.

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On the 14<sup>th</sup> August 2008 I met with John Faulkner at the Hallett Cove Community Cabinet Meeting. At this meeting I handed over a paper "[Market Privatisation of the Murray-Darling](#)" which was subsequently published by [Fair Water Use \(Australia\)](#) and a further article was published by [Australian Options](#) magazine. This article called for a Royal Commission and State of Emergency in the Murray-Darling Basin. These measures are still required and any political party that doesn't support these measures is not to be trusted for what have they got to hide from a full and open public inquiry? By not holding a Royal Commission, any planning carried out to establish a viable system of management will not be fully informed unless the root causes of the problems of the past are comprehensively identified to prevent them from ever happening again. The Dairy Industry recognised the need to carry out a comprehensive inquiry in 2009 so they could make the right policy decisions in the interests of their industry. Governments of the MDB must recognise that a Royal Commission is inevitable given the mess that is being created.

Above all water in Australia must remain the common property of Australia in "Public Trust" as intended by our founding fathers when the Australian Constitution was drafted.

Thank you all for listening.

John Caldecott

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### Some specific recommendations for the MDBA Plan

1. It is critical that SDLs are determined for each category of climate variability experienced in the basin; Floods, Normal, Low Flows, Droughts and Emergencies. Emergencies are when water allocation plans are suspended and all resources of the basin must be made available to address that emergency and Australian needs come first in accordance with the Public Trust Doctrine. Using averages and median flows statistics, without including the statistics that characterise the variability of the distribution, would be repeating a major mistake of the past.



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2. It needs to be recognised that South Australia has capped its diversions for consumptive use since the late 60's and its share of diversion in the MDB have reduced while diversions by the eastern states increased by 331%. A significant proportion of that diversion is piped. Essentially this should mean that South Australia already has a sustainable system which should be revised up and not down.

SA's diversion cap of 805 GL is a fixed cap of just 43.5% vs. the minimum entitlement of 1850 GL under the Murray-Darling Basin agreement. Further flows above 1850 GL are not used for diversions which has been the case for many decades. This illustrates just how conservative South Australia has been while the eastern states drove their share of the basin increasingly harder particularly as the drought worsened during the last decade. The Commonwealth and the eastern states have forgotten that much of their wealth accrued over many decades by these state was a result of South Australia being very conservative over a long period of time and this performance should be rewarded.

3. All water diverted from the original natural conditions must be counted as part of SDLs and include groundwater extraction, flood plain harvesting, water used to fill the 23,000 km of irrigation channels and farm dams. During droughts and emergencies the total share that can be used for consumptive use by irrigation needs to be capped to ensure the survivability of Australia's unique ecological assets and not allowed to rise to the extent it has been allowed during the last decade when around 75% of river flows was used.

4. Failure to provide SA with as close to its minimum entitlement of 1850 GL as possible is a public policy failure for which the MDBA, and the MDBC before it, must share some of the blame for the social, economic and ecological disaster that exists below Lock 1. Creation of the new National Water Market was made the first priority instead of the River, Lower Lakes, Coorong and Murray Mouth. The basin plan and the Murray-Darling Basin Agreement must protect SA's minimum entitlement by requiring any shortfalls to be made up in subsequent years by NSW, Victoria and Queensland.

5. The creation of the new water market has significant downsides to setting SDLs which is of considerable concern. Basically irrigators now look at their water entitlements from two sets of eyes and both have dollar signs in them. One set of eyes looks at the potential of earning income from traditional irrigation to grow crops for income whilst the other sees the value the water is worth on the open water market. This is a significant impediment to sensibly setting SDLs on the eve of a Federal Election. Water should only be traded within irrigation districts on a collaborative basis and any change to an irrigation regions entitlement should be done in conjunction with the MDBA and State Governments.

6. MDBA state forecasts of water entitlement must be made public at the same time as the information is released to the states.

7. [The MDBA independent review of Drought Water Accounts](#) announced in early January 2009 by the MDBA CEO must also be made public as a matter of urgency.

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Cape Town, 6 October 2009 - The world's oceans, seas and marine ecosystems, such as seagrass, salt marshes and coastal wetlands, are daily absorbing and removing large quantities of carbon from the atmosphere. They are a crucial - and perhaps overlooked - natural ally in strategies to combat climate change.

<http://www.unep.org/Documents.Multilingual/Default.asp?DocumentID=599&ArticleID=6337&l=en>

PDF Copy of the Report can be downloaded from (Approx 18 MB):

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