

Coalition Senators' Additional Comments

Background

1.1 Coalition Senators acknowledge and agree that there is insufficient water within the Murray Darling Basin to meet the wants and demands of all stakeholders. This necessitates both difficult decisions and some sacrifice. We thank all of those who have made submissions and provided evidence to this inquiry thus far, many of whom are directly impacted by the state of the Basin. We are extremely mindful of the fact that, in addition to the environmental threats evident throughout the Basin, the livelihoods of many people and sustainability of many communities are not only threatened, but potentially at stake.

1.2 The need to conduct this inquiry is regrettable. It is the direct result of mismanagement of the finite resources within the Basin; the impact of which has been dramatically escalated as a result of prolonged drought throughout much of the Basin area.

1.3 The requirement to change the management of the water resources within the Basin was recognised by the previous Coalition Government, when then Minister for the Environment and Water, Malcolm Turnbull, sought to overturn a century of precedence and seek a full referral of powers for management of the system from the States and Territories to the Australian Government. We are gravely concerned that continued politics and parochialism, especially from the Victorian Government, have delayed and undermined this effort. This has been especially unfortunate given the continued deterioration in climatic conditions, especially water inflows across the Basin, since former Minister Turnbull's announcement in January 2007.

1.4 Coalition Senators recognise that the majority report broadly reflects the range of evidence provided to the Committee and understand that many issues relating to the long term sustainable management of the system will be explored in greater depth in the report to the second term of reference, due by 4 December 2008. However, we disagree with some of the conclusions drawn in this initial report and believe the situation confronting the entire system demands a clarity in purpose, robustness of process and overriding sense of urgency, each of which has been lacking in the Government's approach thus far.

Immediate requirements of the Lower Lakes

1.5 Since the referral of this reference by the Senate on 27 August 2008, thankfully the prognosis for the Lower Lakes has improved marginally. This has predominantly been a result of increased rainfall in the Eastern Mount Lofty Ranges, which has seen increased flows into Lake Alexandrina from the Finniss River and Currency Creek, and climatic conditions resulting in lower rates of evaporation from the lakes.

1.6 As a result of these improved conditions, lower freshwater inflows are now required to keep the lakes above the estimated water level required to manage the risk of acidification. In a response to questions from the Committee circulated on 1 October 2008, the Murray Darling Basin Commission (MDBC) stated that:

Based on modelling using the worst case scenario (highest evaporation, lowest inflow), 30 GL in addition to the 350 GL dilution flow would be enough to keep the lakes above minus 1.0 m AHD (the water level trigger to manage the acidification risk) until winter 2009.

1.7 The 350 GL of dilution flows, which are allocated to ensure salinity is kept at acceptable levels at major urban pump off-takes, appear relatively secure. In the same series of responses the MDBC indicated that as "at 15 September 2008 South Australia was entitled to receive an annual entitlement of 1030 GL plus a further 57 GL of trade adjustment". Whilst noting that the South Australian Government "decides how to allocate that water within South Australia" the MDBC stated that it understands the South Australian Government "has determined that it will plan to have 350 GL flow past Wellington to the Lower Lakes". Coalition Senators expect the South Australian Government to honour this commitment.

1.8 According to the MDBC, based on worst case evaporation, local tributary inflow and rainfall scenarios, this leaves a shortfall of an estimated 30 GL. This evidence is consistent with responses to questions provided by the Department of the Environment, Water, Heritage and the Arts circulated on 2 October 2008, which stated:

Based on 'worst case' assumptions, latest water allocation figures, and the current assumed acidification management trigger levels, we understand the Lower Lakes will have a shortfall of between 10 and 50 GL by next March. A very small improvement from these worse case assumptions will mean that water levels in the Lower Lakes will remain above the current management trigger level through the 2009 winter months.

1.9 Having come so close to the brink in reaching levels that would have precipitated the making of hard decisions earlier this year, the Lakes have been granted a short-term reprieve by Mother Nature. Coalition Senators acknowledge that, even if worst case scenarios are not realised over the next 9 months or the additional 30 GL of water are found to deal with to such scenarios, this is still only a short term reprieve. However, it is a reprieve governments must use. Absent long

term solutions, another season of record low inflows will likely force the making of hard decisions.

1.10 However, Coalition Senators believe that it is far preferable to utilise this window of time to maximise the chances of recovery or to ensure any management decisions are fully informed. This must include the full range of available options, and their inferred and potential consequences. It is unacceptable to make potentially damaging decisions without full consideration of all long-term management approaches that would maximise benefits to river communities, the environment and the economy.

1.11 While finding even 30 GL of water for the Lower Lakes is not an easy task, Coalition Senators believe the Australian and South Australian Governments must give an assurance that, if possible, it will be delivered. Coalition Senators note the majority report leaves open the possibility of delivering this amount of water by slightly lowering the weir pool levels, possibly in combination with some temporary addition of seawater through a 'shandyng' effect.¹ Measures such as these, which have become feasible due to the smaller quantities of water now required to stave off disaster, should be pursued ahead of other options that would result in significant transmission losses or the potential imposition of further pain on irrigation communities throughout the Basin.

1.12 Evidence was given by stakeholders who felt that they had not, prior to this inquiry, been provided with an opportunity to explain their views as to options to save the Lower Lakes and Coorong. During the course of the inquiry, evidence was given about options varying from and/or additional to those options outlined to the Committee in the submission from the federal Department of Environment, Heritage, Water and the Arts. Coalition Senators are concerned at the lack of engagement with all stakeholders in the Basin, which appears to have resulted in a failure to explore all possible management options.

Recommendation 1

1.13 That the government immediately commence:

- **re-considering and re-assessing the options available, including additional and variant options the subject of evidence to the Committee; and**
- **consulting extensively with stakeholders, including those who have provided submissions to this inquiry, as an inherent part of this process.**

1 Wentworth Group of Concerned Scientists, *Submission 71*, p. 4.

Recommendation 2

1.14 That the Australian and South Australian Governments commit to delivering, at least until winter 2009, the water required to maintain the Lower Lakes above levels that would otherwise trigger the risk of acidification.

Recommendation 3

1.15 Should worst case assumptions appear imminent, so that between 10 and 50 GL over and above the already budgeted 350 GL 'dilution flows' are required to maintain the level of the Lower Lakes, then governments should ensure such water should be sourced through the lowering of weir pool levels, temporary addition of minimal seawater as part of a 'shandyng' process or other measures that will not negatively impact on permanent plantings or irrigation communities.

Immediate action for the Coorong

1.16 Evidence was given as to the environmental differences between the Lower Lakes and the Coorong. Numerous experts expressed their opinions as to how and why these different environments are therefore able to sustain different solutions. This fact appears to have been in some part overlooked in options considered by governments prior to this inquiry.

1.17 Increasing levels of salinity in the South Lagoon of the Coorong, now reaching levels of hyper salinity that are reported at up to seven times the salinity of seawater, threaten the unique environment of this region in ways that are as serious as, but decidedly different from, the threat of acidification in the Lower Lakes. Much public debate in recent times has centred on the threats to the lakes from declining inflows, yet there is a clear concomitant threat to the Coorong.

1.18 As with the lakes and the entire Basin system, the approach to the Coorong can be considered in both short and long term contexts. In the longer term, possible redirection of freshwater from the Upper South East Drainage Scheme² could aid the sustainability of the Coorong, and should be further investigated. In the shorter term, Coalition Senators found evidence regarding the feasibility and benefits of removing hyper-saline water from the South Lagoon of the Coorong and replacing it with sea water, as warranting urgent investigation.

Recommendation 4

1.19 That government immediately investigate and, where appropriate, implement the removal of hyper saline water from the South Lagoon of the Coorong, enabling refreshment with sea water while further considering the redirection of fresher waters from the Upper South East Drainage Scheme.

2 Dr Bill Phillips, *Submission 12*, p. 2.

The Wellington Weir

1.20 Coalition Senators note and welcome evidence from South Australian Water Minister Karlene Maywald that the South Australian Government now considers it has until September 2009 to decide whether to proceed with its proposal to build a weir near Wellington in South Australia. Climatic conditions that are better than previously postulated scenarios have, again, provided some breathing space in this regard. This space must be used wisely.

1.21 Assessment of the implications of the weir appear inadequate. With the South Australian Government confirming that 'no regrets' preparatory work on the construction of the weir are being undertaken,³ including the construction of access roads to the site, it seems inconceivable that similar 'no regrets' environmental assessments have not commenced.

1.22 The option of building the weir and flooding the lakes with seawater has been on the table for several years now, although assurances have repeatedly been given that it will be a 'last resort' option.⁴ The purpose of a weir – for what and for whom – is unclear. A so-called 'last resort' must not become a refuge for hasty decisions and tight timeframes, meaning that alternatives to building a weir are overlooked and environmental and other assessments are rushed, will only further aggravate understandable public angst over the proposal.

1.23 There are many concerns expressed by experts and across the community at large about the impact of such a weir. These include concerns about the impact on the ecology of the lakes, the potential for salt build-up within the river and concerns about the ongoing requirement for freshwater to maintain some element of estuarine environment in the lakes. Ensuring broad public understanding of the consequences of building a weir and confidence that there are not unintended or unforeseen effects should be a priority for both the Australian Government and, especially, the South Australian Government, if they intend to continue to contemplate the weir.

1.24 Any decision to build the weir must be soundly evidence based, with all consequences (both positive and negative) fully understood, and be made only if and after all alternative approaches have been fully explored. Should available science and appropriate planning for the future of the Basin indicate that the lakes cannot be sustained as totally freshwater then all other alternatives, such as the potential to 'decommission' Lake Albert, as countenanced by Professor Mike Young⁵ and the Wentworth Group of Concerned Scientists,⁶ should have been explored prior to any final decision on building the weir.

3 Hon Karlene Maywald MP, *Committee Hansard*, 19 September 2008, p. 44.

4 Hon Karlene Maywald MP, *Committee Hansard*, 19 September 2008, p. 32.

5 Professor Mike Young, *Committee Hansard*, 10 September 2008, p. 24.

6 Wentworth Group of Concerned Scientists, *Submission 71*, p. 5.

Recommendation 5

1.25 That, if governments intend to continue to contemplate the weir near Wellington:

- a. that governments specify the purpose of building the weir.**
- b. then all appropriate environmental considerations and approvals, including assessment under the Environment Protection and Biodiversity Act, into construction of the proposed weir be undertaken as soon as possible and be made publicly available.**
- c. that no decision be made to build the weir unless and until all alternatives to the construction of the weir including alternative long term management models for the Lower Lakes have been fully assessed and discounted in a transparent and evidence based way.**

The Goolwa & Lower Lakes Communities

1.26 Coalition Senators note the strong representations made from organisations representing the tourism, boating and fishing industries, especially in the communities around Goolwa, including the Alexandrina Council and the Southern Alexandrina Business Association (SABA). While communities throughout the Basin are suffering, we acknowledge the potential for a unique solution to the problems facing the Goolwa community, which may not require a 'freshwater solution', as a community with a pool level that is "the only one which is below sea level together with high salinity levels".⁷ Specifically, SABA calls for:

...the raising of the Goolwa pool to +0.3 m AHD and the re-commissioning of the Goolwa Lock by Christmas 2008. Our suggestion is to construct a temporary barrier at Laffin's Point (Goolwa North) and to fill the Goolwa pool with either sea or fresh water as appropriate. We are also calling for the re-commissioning of the Goolwa Lock (associated with the Goolwa Barrages) so as to restore communication between the Goolwa Channel and the Coorong.⁸

1.27 Consideration must be given to this proposal from the Goolwa community, which could both increase the pool level at Goolwa (assisting the local boating and tourism industry) whilst also protecting Lake Alexandrina from the increasing salinity in the Goolwa Channel, especially the estuarine environments at the mouths of the River Finniss and Currency Creek.

7 Southern Alexandrina Business Association, *Submission 13*, p. 1.

8 Southern Alexandrina Business Association, *Submission 13*, p. 3.

1.28 In response to requests that were now made some months ago by the Alexandrina Council and the Goolwa community, the South Australian Government has been undertaking a feasibility study into this proposal, which Minister Maywald indicated to the Committee was due to be completed as soon as possible.⁹ Like so many issues facing the Basin, Coalition Senators believe the assessment of this proposal has taken far too long for a community in dire need of assistance.

Recommendation 6

1.29 That the South Australian Government immediately complete and publicly release the much anticipated feasibility study into the Laffins Point proposal.

Recommendation 7

1.30 That the Australian Government provide an immediate assistance package of a minimum \$50 million for Lower Lakes and Coorong communities to help farmers, small businesses, tourism and community sectors to respond to the crisis caused by the lack of water.

Water buybacks, infrastructure spending and future planning

1.31 Coalition Senators acknowledge the role for the voluntary acquisition of water entitlements, as was originally planned and funded by the former Coalition Government. Over many years State Governments have clearly issued entitlements that exceed any reasonable expectation of available resources in the basin. Given this gross mismanagement, and the likelihood that climatic conditions will lead to further reductions in available water resources, buying back entitlements must be part of the long term solution in the Basin.

1.32 However, water entitlements differ from water allocations and their purchase will only be of benefit when water is actually allocated to those entitlements. Shamefully, the Government appears to have exploited a general misunderstanding of the difference between entitlements and allocations, allowing the community to presume that increasing the pace of buying back entitlements will somehow provide immediate relief to the Lower Lakes and Coorong.

1.33 The reality is very different and has been exposed in evidence to this inquiry. The MDBC has reported that of 133 GL of entitlement purchased under the Living Murray initiative, only 1.2 GL of water is likely to be available to the environment this year. DEWHA figures reveal that of the buybacks announced with much hype by the Prime Minister and Minister Wong this year, only 4.8 GL of entitlements have actually been transferred into Commonwealth ownership, against which just 443.7 ML of water is actually available this year.¹⁰

9 Hon Karlene Maywald MP, *Committee Hansard*, 19 September 2008, p. 46.

10 DEWHA, *Answers to Questions on Notice*, 2 October 2008.

1.34 These buybacks, which with the recent purchase of Toorale Station extended to property purchases, are proceeding with no plan or clear targets, no apparent strategy or targeting to catchment areas and no adjustment support for the communities they strip of income and viability. They have been rushed for the sake of cheap headlines and it is little wonder they have generated so much resentment and concern in irrigation communities throughout the system. The Government must provide the evidence upon which it has based these decisions, so that it can show they are the right decisions.

1.35 While the buying back of entitlements has been hastened, investment in upgrading on-farm and off-farm irrigation infrastructure appears to have been stalled or placed on the backburner pending deals with State Governments over where funds should be allocated. Such infrastructure investment remains amongst the best ways to save water, delivering increased flows to the environment while helping to guarantee both future food security and the future viability of regional communities.

1.36 Coalition Senators consider that buybacks, along with infrastructure spending, must be part of a total, transparent package and plan. However, the current random approaches to water buybacks are lacking in evidence or strategy. Australians must be provided with confidence that the Government actually has an immediate strategy for the management of the Basin, not just a media strategy to last until the long-term Basin Plan is developed.

1.37 Important to any Minister's ability to manage the Basin, either in the short or long term, is the referral of powers to the Commonwealth. Coalition Senators are damning of the watering down of and backroom deals that have undermined the intent of the plan announced by the former Coalition Government in January 2007 for true, unimpeded management of the Basin by the Australian Government in the national interest. Although these matters will be explored further in the second stage of this inquiry, and in the assessment of the recently introduced Water Amendment Bill 2008, we repeat our calls for unconditional referral of powers by the States.

Recommendation 8

1.38 That the Government immediately develop and release an economic and social impact statement and evidence of a strategy to guide water buybacks, infrastructure spending and other measures to be undertaken so as to provide certainty and transparency for all stakeholders in the system.

Recommendation 9

1.39 That the Government hasten both on-farm and off-farm infrastructure spending where it delivers water savings and increased environmental flows while enhancing both food security and the viability of regional communities.

Recommendation 10

1.40 That a full and unconditional referral of powers to the Australian Government over management of the Basin be undertaken by all relevant state and territory jurisdictions to deliver a river and basin system able to be governed nationally, consistently, transparently and equitably.

Urban water supplies

Broken Hill & Menindee Lakes

1.41 Many witnesses suggested that water for the Lower Lakes be sourced by releasing storages from the Menindee Lakes. Other evidence was provided about the likely transmission losses and difficulties in releasing such water, as well as some areas of environmental note around the Menindee Lakes, which are explored in the majority report.

1.42 Clear evidence was provided as to the inefficiencies in supplying water for Broken Hill. The committee was informed by both DEWHA¹¹ and the New South Wales Department of Water and Energy¹² that 20 GL was held in the Menindee Lakes to secure Broken Hill's water supply for two years, against which managers need to allow for evaporation of 200 GL.

Recommendation 11

1.43 That the Federal and New South Wales Governments immediately assess new ways to secure the water supply for Broken Hill and, where environmentally appropriate, re-engineer the Menindee Lakes to reduce evaporative losses.

Adelaide

1.44 Coalition Senators also believe that further steps need to be made by the South Australian Government to ensure that Adelaide becomes more self-sufficient for its water needs. Minister Maywald's following comments made during questioning, are vague and, in the circumstances, unconvincing:

In years where there is lots of water around, we do not believe that Adelaide should have to take that infrastructure that is already there in place out of production. It is infrastructure that has a long life. If there are years when we have high flows, South Australia should be able to use that

11 DEWHA, *Submission 1*, p. 5.

12 NSW Department of Water & Energy, *Submission 65*, p. 18.

infrastructure. If we engineered a solution for the one in 100-year event so that we never used the River Murray for the rest of the time, I think it would be in fact over-engineering the solution for South Australia.¹³

1.45 Coalition Senators believe that self sufficiency of urban water supplies should be an objective of all state governments and urge the South Australian Government to strive towards this objective through increased efforts in areas such as desalination, stormwater capture, water recycling and improved efficiency.

Recommendation 12

1.46 That the Australian and South Australian Governments commit to self sufficiency independent of the Murray for Adelaide as a key objective of their water policy plans through increased efficiency in water usage and greater efforts in areas such as stormwater capture, desalination and water recycling.

Melbourne and the Sugarloaf or North-South Pipeline

1.47 Coalition Senators note that Minister Garrett approved construction of the Sugarloaf or North-South Pipeline during September 2008, ignoring a request from non-Government committee members that he delay so doing until the reporting date for the first part of this inquiry. In so doing, the Minister has deprived the Government of the opportunity to be informed by evidence provided to this Committee during the inquiry.

1.48 As a result of that evidence, Coalition members consider that the decision to build the pipeline is based upon politics, not upon evidence. It is clearly part of a deal to get the Victorian Government to agree to even a watered down version of national management of the Basin.

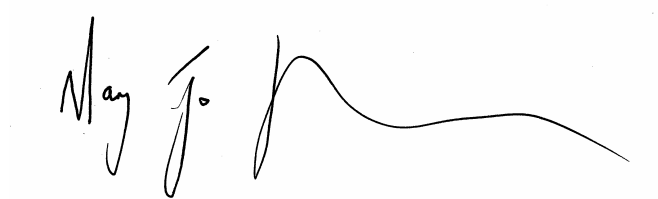
1.49 The decision to build the pipeline gives priority to the interests of Melbourne, a city outside of the Basin area, over other communities, with no convincing evidence as to why that should be so. Nonsensically, it increases the reliance of one major city on the system, just at the time when other major cities, notably Adelaide, are responding to pressure to decrease their reliance on the system.

1.50 Even if cited water savings can be found, about which Coalition Senators are very doubtful, to provide for the pumping of 75 to 110 GL to Melbourne, the redistribution of this water from the Goulburn will clearly have a detrimental impact on communities to the north, as well as flows into the Lower Lakes and Coorong.


13 Hon Karlene Maywald MP, *Committee Hansard*, 19 September 2008, p. 40.

Recommendation 13

1.51 That construction of the North-South Pipeline to extract water for Melbourne not proceed.

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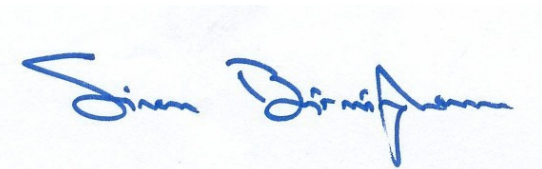
Senator Mary Jo Fisher

A handwritten signature in blue ink that reads "Fiona Nash". The signature is written in a cursive style.


Senator Fiona Nash

A handwritten signature in black ink that reads "Bill Heffernan". The signature is written in a cursive style.

Senator the Hon Bill Heffernan

A handwritten signature in blue ink that reads "Simon Birmingham". The signature is written in a cursive style.

Senator Simon Birmingham

A handwritten signature in blue ink that reads "Judith A. Adams". The signature is written in a cursive style.

Senator Judith Adams