NSW Farmers ASSOCIATION
Growing the Business of Farming

Jock Laurie
President

12 September 2008

The Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
Parliament House
CANBERRA ACT 2600

By email: rrat.sen@aph.gov.au

Dear Secretary

Re: Inquiry into water management in the Coorong and Lower Lakes

The NSW Farmers' Association (the 'Association') welcomes the opportunity to provide a submission to the Senate Inquiry into water management in the Coorong and Lower Lakes.

Please find attached the Association's submission regarding this issue and we look forward to the outcomes of this Inquiry

Yours sincerely

Jock Laurie
PRESIDENT

Submission to the Senate Committee on Rural and Regional Affairs and Transport

~ Inquiry into Water Management in the Coorong and Lower Lakes ~

September 2008

NSW Farmers' Association
Level 25, 66 Goulburn Street
Sydney NSW 2000

Ph: (02) 8251 1700
Fax: (02) 8251 1750

NSW Farmers' Association Background
The NSW Farmer's Association (the Association) is Australia's largest State farmer organisation representing the interests of its farmer members – ranging from broad acre, meat, wool and grain producers, to more specialised producers in the dairy, horticulture, egg, poultry meat, pork, oyster and goat industries.

The NSW Farmers' Association (the 'Association') welcomes the opportunity to provide a submission to the Senate Committee on Rural and Regional Affairs and Transport Inquiry into water management in the Coorong and Lower Lakes.

The Association appreciates the difficulty of the resource allocation decision that must be made in relation to the acidification of the Lower Lakes and the Association understands the immediate concerns of accelerated acidification in the lower lakes if water falls below threshold levels. Therefore decisive action needs to be taken and, furthermore this action should represent a long term rather than a temporary solution.

The central question is whether to address the acidification problem using sea water (ie by taking down the barrages and re-establishing tidal flows) or by using relatively fresh water from the Murray. The fresh water solution involves taking water allocations from upstream irrigators and other critical water needs.

The Association can see a number of problems with the fresh water solution. Primarily:

- The inquiry's terms of reference allude to an investigation of options to secure water which may undermine the water market, water legislation and the water reform process;
- There is no certainty that there will be enough water in the Murray Darling System to guarantee the long term survival of the Lower Lakes as an artificial fresh water system. In short, allocation could be taken from upstream irrigators at great social and economic cost to deal with the immediate problem and the measures could still fail in the longer term.
- Reallocating water from upstream to down stream will have environmental consequences. It does not make sense to threaten natural upstream wetlands to protect down stream wetlands that have at least in part been created by human intervention.

The Association is concerned that some of the options being considered to deliver additional water to the Lower Lakes could threaten the principles agreed upon in the Water Act 2007, the Intergovernmental Agreement on Murray Darling Basin reform (IGA), the National Water Initiative ('NWI') and may seriously impact on local communities, agriculture and the environment within the Basin.

The Commonwealth has outlined that they will be entering into the water market with $3.1 billion for water buy back under the $12.9 billion "Water for the Future" Plan. The Commonwealth has made commitments through the Water Act and IGA to the effect that their activity in the market will involve purchasing a range of water products from willing sellers only.

Noting the specific term or reference "*(b) i.- possible incentive and compensation schemes for current water holders who participate in a once off voluntary contribution of water to this national emergency."* The Association is concerned that Government have placed a high priority on the water market, and yet inquiries are being called which table options for setting aside the water market in certain circumstances, then having it reinstated. Any such option could undermine the water market, undermine the property right and undermine the whole water reform process. Most recently we have seen the IGA reaffirm the principles in the National Water Initiative and power given to the Australian Competition and Consumer Commission to develop a consistent set of water market and charging rules. Any determinations must be consistent with the current water reform process and current legislative and other agreements.

Currently the Southern Basin water balance (as at 19 August 2008) is 3949GL in storage with 4292GL committed. In situations where further rain and inflows is required to meet current commitments it is difficult to see where additional water can be found.

There is some water available in the Northern Basin, however, the Murray Darling Basin Commission has highlighted that transmission losses would be significant (up to 80% in some circumstances) and the cost of such water will be expensive because demand is high. The Association believes such purchases would be inefficient and would not provide "value for money", as required under the IGA.

Water from Menindee Lakes is fully committed to critical human needs, high security (e.g. for permanent plantings), and contingency planning in NSW and South Australia for communities such as the Murray, Murrumbidgee and Adelaide. The Association believes it would be irresponsible to divert this water to the Lower Lakes.

In addition to this the Murray Darling Basin Commission recently warned about the potential outbreak of acid sulfate soils in other Basin States, including southern Queensland, northern Victoria and south western NSW. These sites include the Barmah-Milewa Forest and Perricoota Forest in NSW.

It may be possible to fill the lakes with fresh water, however, this water will not be value for money, it will have very high transmission losses (up to 80%) and will potentially transfer environmental issues from one area, and exacerbate problems in others.

The stark reality is that Australia has been in drought for close to a decade and there is simply no fresh water which should be considered for diversion to the Lower Lakes.

As a threshold condition for a Murray (fresh water) based solution the Government must be satisfied in technical, scientific terms that: (1) it does not undermine the current water reform process; (2) the acidification problem can be conclusively solved as a result of this action, irrespective of any future flow reductions due to climate change; and (3) that the action will not result in transferring environment problems to other locations.

In conclusion, the Lower Lakes have become a man-made fresh water lake system with an associated fresh water dependent ecosystem. While recognising that this system is highly valued by the local community, the Association does not believe that it can be sustained via additional fresh water flows from the Murray.

The Association notes modelling cited in the Department of Environment, Water, Heritage and the Arts submission, which indicates that prior to introduction of the barrages, Lake Alexandrina and Lake Albert would have been a partially saline system, with salinity moderated by tides and flow rates of fresh water from the Murray. Under current circumstances, and in the interest of establishing a long term solution, the Association urges Government to consider options involving re-establishment of a natural ecosystem in the lakes, similar to that seen in other estuarine environments throughout Australia. This should be accompanied by structural adjustment measures for affected farmers and communities. It would also be necessary to investigate options for measures upstream of the lake system to secure Adelaide's water supply.

According to the Murray Darling Basin Commission, the lower lakes have a full supply level of 0.75m above sea level. As at 27 August 2008, Lake Alexandrina's average water level was recorded at -0.27m below sea level. Based on these figures, it appears that opening the barrage would result in a rapid and cost-effective dilution of acid water in the lakes.