The Council of The Shire of Bourke

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Please address all communications to the General Manager

Friday, September 18, 2009

Recovering Water in the Murray Darling Basin
Productivity Commission
Locked Bag 2, Collins St East
Melbourne Victoria 8003

Re: Productivity commission study into Market Mechanisms for recovering water in the Murray- Darling Basin

Please find our submission into the Product Commissions study. Most of these issues have previously been discussed but it would appear that many are overlooked when considering the recovery of water. At its August Council meeting Bourke Shire Council resolved that a submission should be made to the Productivity Commission.

The issues that Bourke Shire council wish to put forward include:

Ensuring that structural adjustment is considered for regions and towns that lose local production due to water restructure.

At present no local structural adjustment is allowed for when purchasing water, reducing the allocation and in turn reducing the outputs of that farm. In small local economies the costs can be measured through increased unemployment, reductions in disposal income and reductions in the amount of local contracting.

It is argued that water purchasing is undertaken on a 'greater good' basis but this should not be at the expense of local economies.

Ensuring that suitable mechanisms exist to allow the return of at least the land to agriculture.

Often water is purchased from land that may otherwise be suitable to be returned to grazing or for less intensive uses. This option should be explored and would go some way to minimizing the job losses through the purchase of water.

Governments should ensure that when talking about water savings a range of expected savings should also be provided depending on the security of the entitlement.

Government media statements in the past have always highlighted the maximum amount of water that might be returned to the environment if 100% of the allocation flowed past the region in any one year and was not harvested.

Due to continued drought this is often not the case and to talk of the savings at 100% allocation is often misleading.

Governments should ensure that there is a cap on the water purchased in one area in any one period of time.

This cap figure will be unique to any one area and should take into consideration a regions diversity of employment and industry, the ability of the land to be used for less intensive agriculture, local adjustment packages and real environmental benefits among other variables.

The placement of a cap may help a region adjust to the changing economy due to the Water being removed.

The Government should concentrate resources to providing water efficiencies.

Governments should continually:

- Gain efficiencies in on farm water transfers,
- Develop deeper storages to reduce evaporation,
- Reduce man made water diversions for environmental reasons,
- Encourage water storage within the rivers,
- Encourage capping and piping programs.

These measures are often talked about and touted as being successful but are rarely developed to their potential.

Continued development of the piping and capping program and plugging of old bores

Water savings made in the capping and piping of bores are hard to estimate and as the water remains underground the savings made are not necessarily provided for the above ground environment. The program is an important one though and should be continually funded.

The other important program which is often overlooked is the plugging of old Bores so that water cannot escape the basin into aquifers that may be closer to the surface. This effectively means that water may be lost to the basin but is not utilized in farming.

As older bores corrode we would expect that this will become a major issue and should be developed further along with the piping and capping program.

Governments should take another look at large scale diversions such as Clarence River diversion

Over the past number of years the diversion of rivers inland have been looked at but not further developed. In a changing climate, with a greater demand on agriculture and with improved engineering techniques some of these diversions may become viable and should be looked at.

Governments should establish long term research of all valleys of the Murray Darling.

There is still some conjecture over the health of the River system, the amount of diversions, the sustainable level of water extraction, the impact of water extraction on the environment, the impact of over land flows and much more.

Research Centres should be established within each valley or stretch of the river to work collaboratively to determine answers to some of these issues. This will enable us to finally look at the river as one whole system.

Many of the issues raised may not be strictly in regards to Market Mechanisms for the recovery of water. However they all do affect the well being of the river and the communities that rely on the water to be sustainable. In turn this can affect the market for water and as such should be considered.

We look forward to the findings of the report and trust that the report may lead to a more sustainable approach to the recovery of Water in the Murray Darling system.

Yours sincerely,

Phil Johnston
Economic Development Officer