INLAND RIVERS NETWORK

AUSTRALIAN CONSERVATION FOUNDATION

Opportunities to deliver immediate & ongoing water for the ecological crisis in the internationally significant Lower Lakes & Coorong

05 August 2008

ACF and IRN request that the Commonwealth and State Governments immediately target water entitlement and property acquisitions in the Darling system to return water to the environment of the Darling River system and lower Murray River.

There is a significant opportunity to demonstrate strong and powerful leadership on the Murray-Darling water crisis and a positive outcome for the Lower Lakes and Coorong by purchasing water entitlements and/or properties in the Darling River system.

This proposal identifies six properties[1] that could be purchased by the Commonwealth, NSW or Queensland governments which are strategically important to the Darling and Murray Rivers. They can provide at least 300 gigalitres (GL) in the short term to address the immediate crisis in the Lower Lakes and Coorong, and over 400 GL could be recovered each year on average for the Darling and Murray Rivers for years to come.

A targeted water purchase approach can be used immediately to assist governments to avert the ecological crisis unfolding in the Ramsar-listed Lower Murray Lakes and Coorong, where scientists say at least 400 GL is needed by the end of spring to avoid irreversible ecological damage[2].

Such action would also be very timely as there will be minimal 'losses' incurred in moving the water through the river system now due to lower evaporation rates over winter and less seepage due to recent floods.

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[1] This paper does not provide an exhaustive list of properties or opportunities in the Darling Basin, rather it is intended to provide a number of examples that exemplify the opportunities that exist in the Darling Basin.

[2] Lakes Alexandrina and Albert Ecological Condition Progress Report, April 2008; Report by the South Australia Murray-Darling Basin Natural Resource Management Board.

However, if this water is not purchased, there will be significant volumes left in storages throughout the Darling system that will be lost. Losses of up to 40 per cent are predicted if water is retained for summer irrigation.

A range of purchase opportunities exist.

Purchasing the full water entitlements from a property, or purchasing the whole property including its entitlements, will have double benefits by helping a seller exit the industry or their business if desired, and also enabling the removal the banks and channels that are funnelling water away from the rivers. Some properties may also have high ecological value and their retention would provide valuable additions to the National Reserve System.

Options such as leasing several large commercial operations, with an option to purchase in 5 - 10 years, should also be considered. This approach will immediately recover water used by the leased properties and enable it to be used for the next few years while the Commonwealth develops the Basin Plan and the sustainable diversion limits for the Basin.

Buying properties or entering into leasing arrangements as suggested here would contribute towards solving problems in the short, medium and long term. If necessary the acquisition of these properties could be supplemented by the purchase of temporary water allocations to address the immediate crisis.

As many of these properties occur outside of defined irrigation areas the restrictions imposed by the retention of the 4 per cent cap on market trade[3] will not be an impediment to purchasing water entitlements in these areas. Similarly leasing arrangements will not be subject to the 4 per cent market cap.

Such purchases also need to be made in light of the high, and extremely high, levels of water extraction and estimated reductions in stream flow from climate change, contained within the CSIRO hydrology "sustainable yields" reports[4]. The need for change throughout the Murray-Darling Basin, including all valleys in the Darling system, is inevitable due to current and future water availability and needs to be part of any approach for modernising irrigation areas and developing resilient regional areas.

There is an immediate crisis in the Lower Lakes and Coorong. Currently, there is little or no water in the Murray system to release for these areas and according to official sources[5] most of the water in Menindee is earmarked for critical human needs. However, water in Menindee could be used in the short-term to benefit the

[3] NWI Section 60 iv) b) commits the parties of the NWI to the "immediate removal of barriers to permanent trade out of *water irrigation areas* up to an annual threshold limit of four percent of the total water entitlement of that area, subject to a review by 2009 with a move to full and open trade by 2014 at the latest, except in the southern Murray-Darling Basin where action to remove barriers to trade is agreed as set out under paragraph 633…"

[4] See: www.csiro.au/partnerships/MDBSY.html

[5] Though note no formal figures have been released to support these assertions

Lower Lakes and then replaced, in part or whole, with water purchased and transmitted from farther north in the Darling Basin. Dr Bill Young, principal research scientist CSIRO Land and Water, recently stated that more than 50 per cent of water released from Menindee would reach the Lower Lakes[6].

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[6] See: www.news.com.au/adelaidenow/story/0,22606,24029821-2682,00.html

Potential properties for targeted purchase

Toorale Station, Warrego system

Toorale Station is a 91,000 hectare property owned by Clyde Agriculture that sits on the junction of the Darling and Warrego Rivers, downstream from Bourke, and has six privately-owned dams across the Warrego River.

It is *on the market* and extracted 180-200 GL from the Warrego in the last flow. It is currently holding approximately 20 GL in storage.

Not only would the purchase of Toorale Station provide useful volumes of water relatively close to the Lower Murray, its purchase will provide significant environmental flow benefits in the longer term. The removal of the six dams that exist on Toorale, that currently impede flows in the Warrego's lower reaches, would be expected to greatly improve the health of the Warrego and Darling and their ecological communities. Over the *past 10 years* an average of 50GL/yr would have reached the Darling if Toorale's dams were removed. This water comes as pulses each 10 months on average.

Estimates for the purchase price of the property range from $12 million – approximately $6 million each for the land and the water – through to $40 million. As only about 2,000 hectares of this property has been developed, there is still valuable and high quality floodplain in the area. If the property were retained for conservation purposes it would make a valuable addition to the Paroo Darling National Park. It should also be noted that this area falls within the Darling Riverine Plains Bioregion, which has been recently identified by WWF as one of the top priority bioregions for further protection due to both threats and the current lack of protection afforded to the bioregion's values[7].

Darling Farms, Darling system

Darling Farms is a large irrigation property located on the Darling River near Bourke. It is currently *on the market* and estimates are that it could be purchased for approximately $70 million. It holds entitlements for 23,000 ML/yr, which are continuously accounted (so are entitled to take far more than that in wet years that follow dry years). Currently it is holding approximately 30 GL in storage. Not only would it provide useful volumes of water in the short term, its purchase would provide significant medium and long term benefits as it takes about 10 percent of water extracted from the Darling River around Bourke.

Cubbie Station, Condamine-Balonne system

Cotton farm Cubbie Station is well known throughout the Basin as an icon of

[7] Sattler, P.S. and Glanznig, A. (2006). *Building Nature's Safety Net: A review of Australia's terrestrial protected area system, 1991-2004*, WWF-Australia Report, WWF-Australia, Sydney

excessive water extraction and its purchase would generate widespread support across Australia. The purchase of this station would provide significant quantities of water – as much as 200GL – that could be immediately transferred to Menindee to offset water released from there to address the crisis in the Lower Lakes and Coorong. It would also recover an average of 200GL annually, though in some years it can capture as much as 460GL – equivalent to Sydney Harbour and more than Melbourne uses in an average year. Water is extracted by Cubbie both directly from the river and also diverted from the floodplain. Cubbie is often cited as an example of how agricultural wealth has shifted from downstream landholders to upstream users and its purchase would provide significant medium and long-term benefits to downstream communities and industries as well as the environment.

If Cubbie Station were purchased by governments and decommissioned, the result would be that significant amounts of water would be returned to the Culgoa River. The Culgoa in turn provides important flows into the Darling River, as well as supporting the nationally important Lower Culgoa floodplain which is a site for extensive waterbird breeding. The purchase of Cubbie would also return flows to the internationally–listed Narran Lakes[8].

Balandool Station, Condamine-Balonne system

Balandool Station is on the Culgoa River downstream of Cubbie station. It has been on the market for some time and was one of the properties that the Queensland Government attempted to buy in 2006 (it was unable to due to a lack of support from the Commonwealth and NSW). It has been estimated that the property, of some 68,000 acres, could be purchased outright for approximately $20 million. With levee banks and infrastructure removed, the property could be sold as a dryland property for an estimated $7 million. While it only gets "leftover water" after Cubbie extracts its water (it gets about 20% of what Cubbie gets) it would still be an important purchase either prior to or in conjunction with the purchase of Cubbie, to ensure that its value does not increase with the retirement of Cubbie Station, or that it doesn't extract water recovered from such a retirement.

Tandou, Lower Darling system

Tandou is located south of Menindee Lakes on the Lower Darling between Broken Hill and Mildura. It currently holds around 30 gigalitres of water in Menindee, possibly more.

It holds entitlements for up to 250 GL of high flow water and gets approximately 100 GL on average each year. Tandou is a publicly listed company and provides a good example for options such as leasing arrangements.

[8] Even though the Narran Lakes are located on another distributary river in the Condamine-Balonne system to Cubbie Station, most flow events in that system drown out the bifurcations in the system, essentially resulting in one large flooded area. Hence when Cubbie Station extracts significant volumes of water from this flood water less water will flow into the Narran Lakes.

Colly Farms, Gwydir system

Colly Farms, owned by Twynams, is by far the largest cotton property in the Gwydir and is considered the Cubbie Station of the Gwydir valley.

The property has water entitlements on both the Gwydir system (via the Mehi) and the Barwon River, and has over 50 water licences. The entitlements on the Gwydir are estimated to be for about 60-70 GL, and it currently holds 10 per cent allocations on these entitlements. It is unclear as to the extent of the licences held in the Barwon, but on average the property is known to get a great deal of water out of this system via high flow licences, with large off river storages to hold water taken through floodplain harvesting or otherwise. The purchase of this property would not only supply water now, but would also deliver clear benefits to the Ramsar wetlands in the Gwydir and the Darling system in the future.

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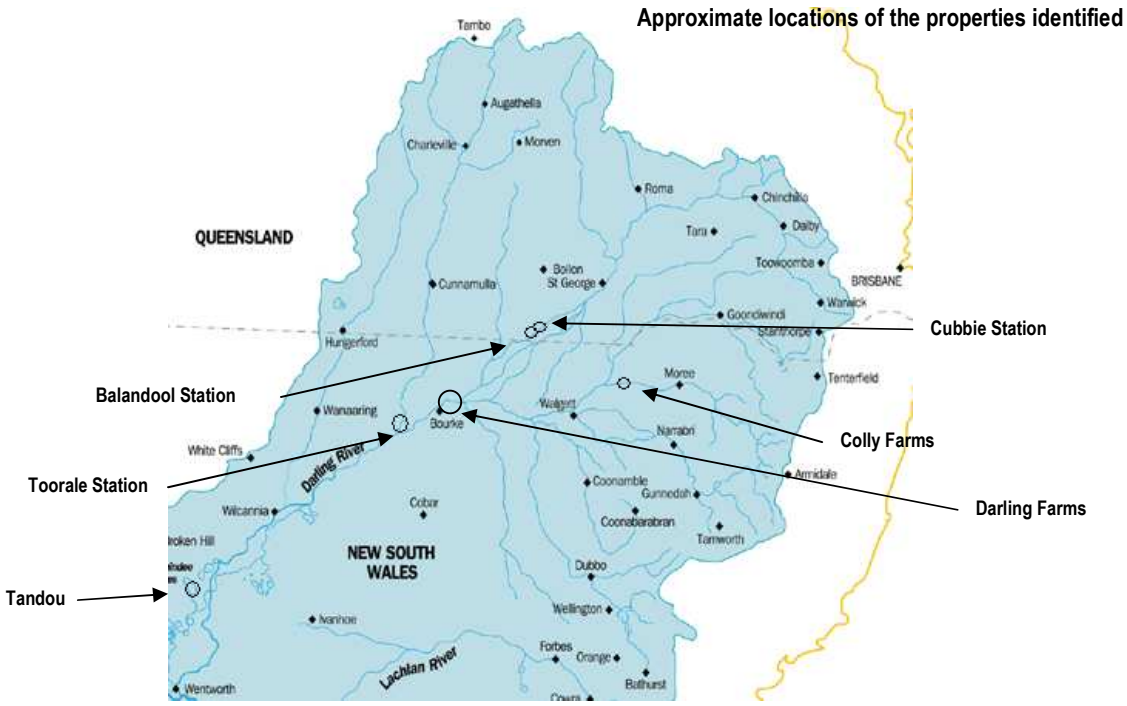
These are only six of a multitude of strategically important opportunities to recover water to address overallocation and overuse by buying properties. IRN and ACF encourages the Commonwealth and State Governments to assess these opportunities and their capacity to provide emergency water to the Lower Lakes within the timeframe that scientists say in necessary to avoid irreversible loss of the characteristics, for which the area is an internationally significant wetland system.[9] These actions have the potential to make a substantial medium and long-term contribution to addressing overallocation and overuse in the Murray-Darling Basin.



[9] Lakes Alexandrina and Albert Ecological Condition Progress Report, April 2008; Report by the South Australia Murray-Darling Basin Natural Resource Management Board.