



Modern Agriculture Under Stress: Lessons from the Murray-Darling

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Chief Executive

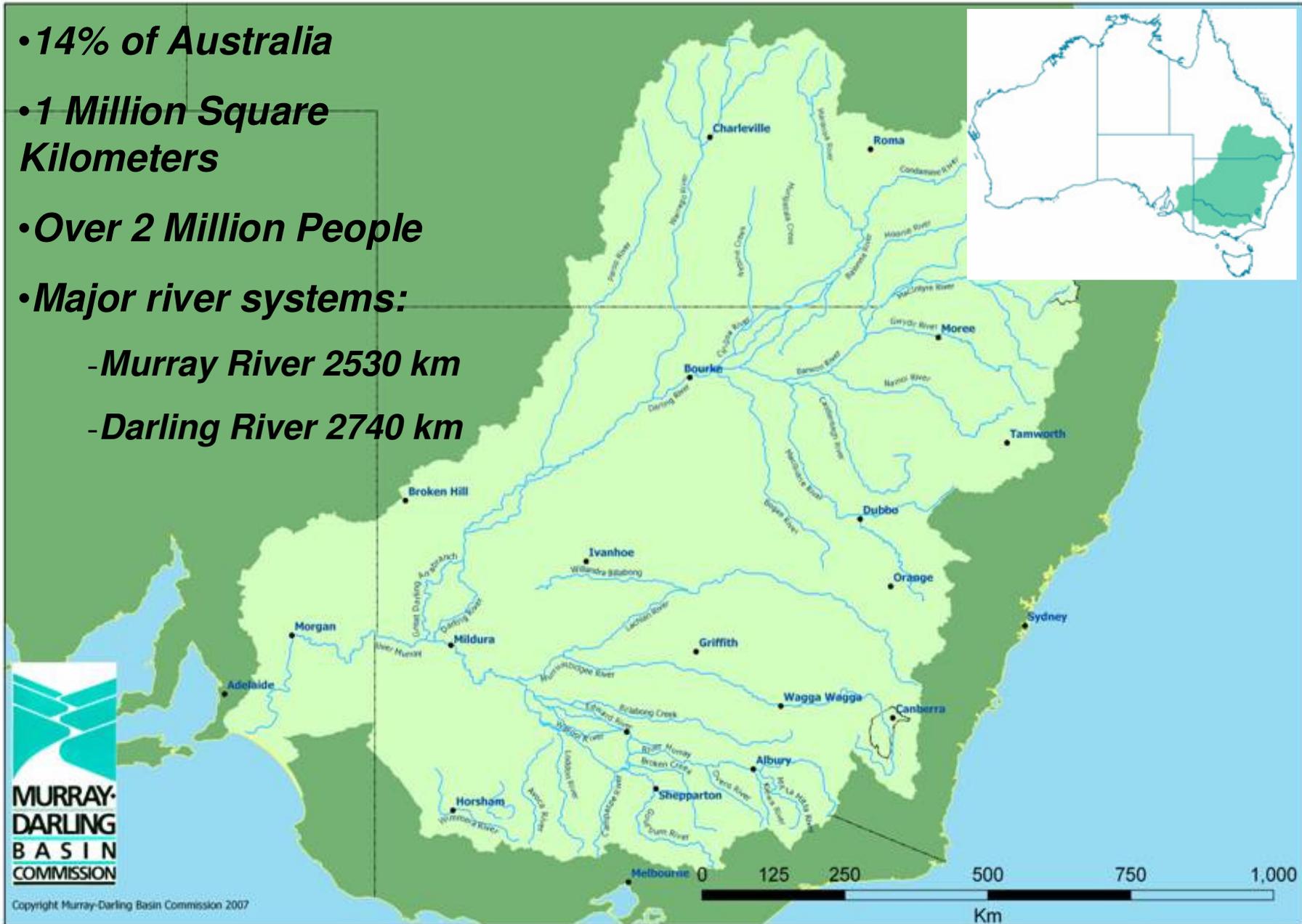
Murray-Darling Basin Commission

Wednesday 25 June



Murray-Darling Basin

- **14% of Australia**
- **1 Million Square Kilometers**
- **Over 2 Million People**
- **Major river systems:**
 - **Murray River 2530 km**
 - **Darling River 2740 km**





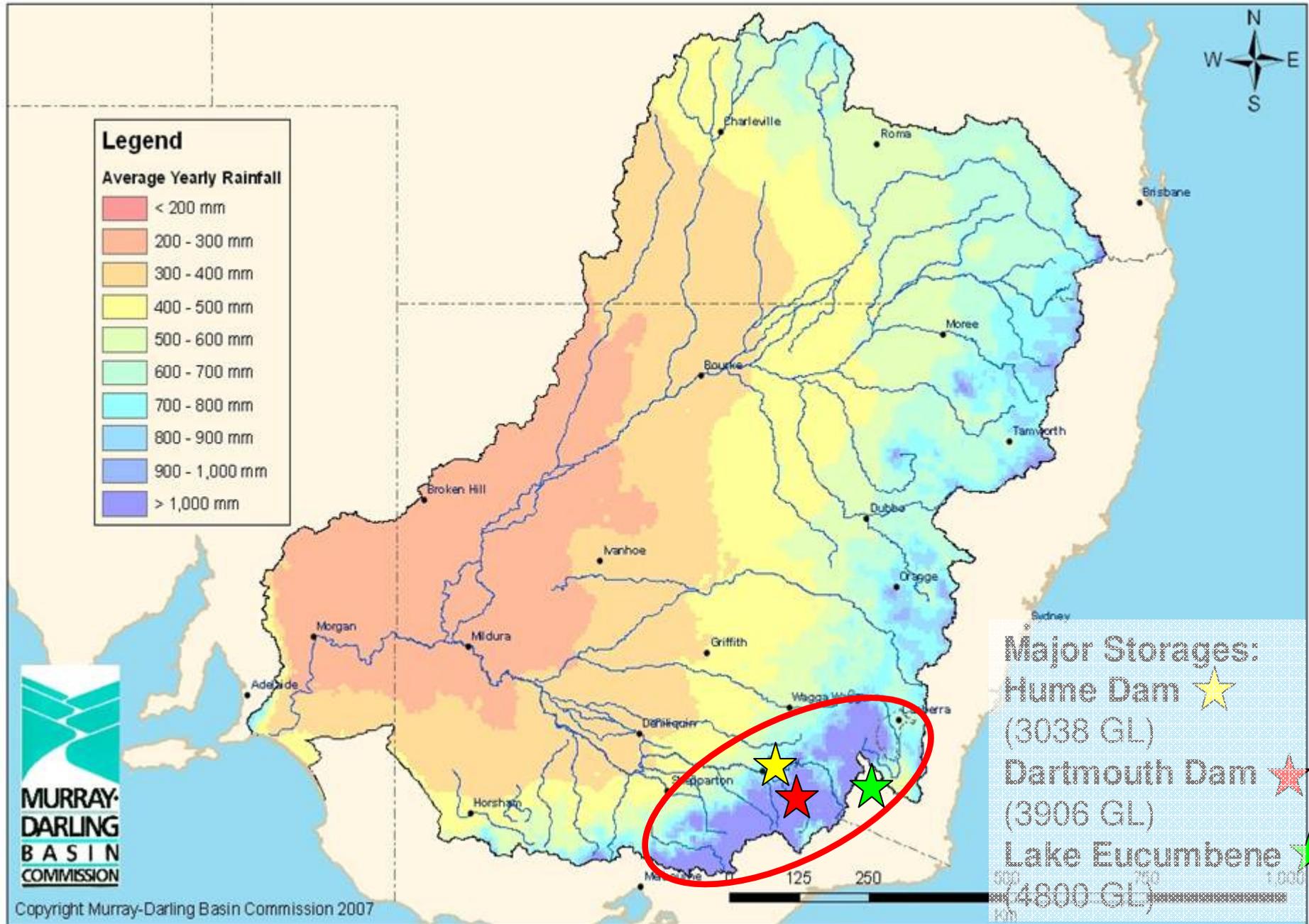
Highly Variable Flows

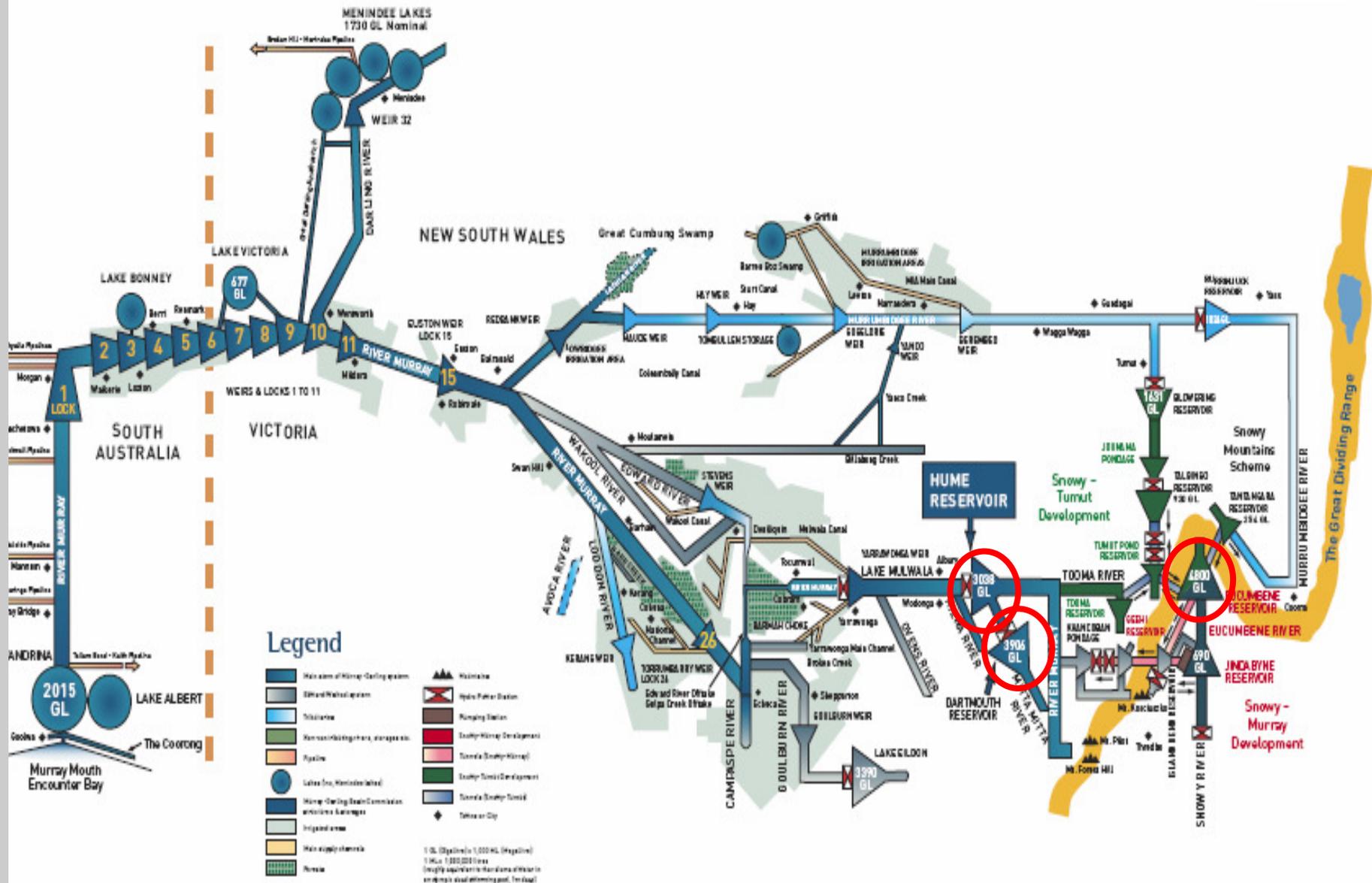


“A land of droughts and flooding rains”

COUNTRY	RIVER	RATIO BETWEEN MAXIMUM and MINIMUM ANNUAL INFLOWS
BRAZIL	AMAZON	1.3
SWITZERLAND	RHINE	1.9
CHINA	YANGTZE	2.0
SUDAN	WHITE NILE	2.4
USA	POTOMAC	3.9
SOUTH AFRICA	ORANGE	16.9
AUSTRALIA	MURRAY	31
AUSTRALIA	DARLING	>4,000

Rainfall Distribution in the Basin





MDBC Structure



Six Governments

Federal	NSW	VIC	SA	QLD	ACT
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Murray–Darling Basin Agreement (since 1914)

Murray–Darling Basin Ministerial Council

Murray–Darling Basin Commission

One independent president
Two commissioners from each Government

**Community
Advisory
Committee**

Commission Office

Technical and Administrative Secretariat

The MDBC Has Many 'On the Ground' Successes



Day to Day River Management:

1. River Operations
2. Asset Management
3. Water Accounting
4. Interstate Water Trade
5. Drought Contingency Planning

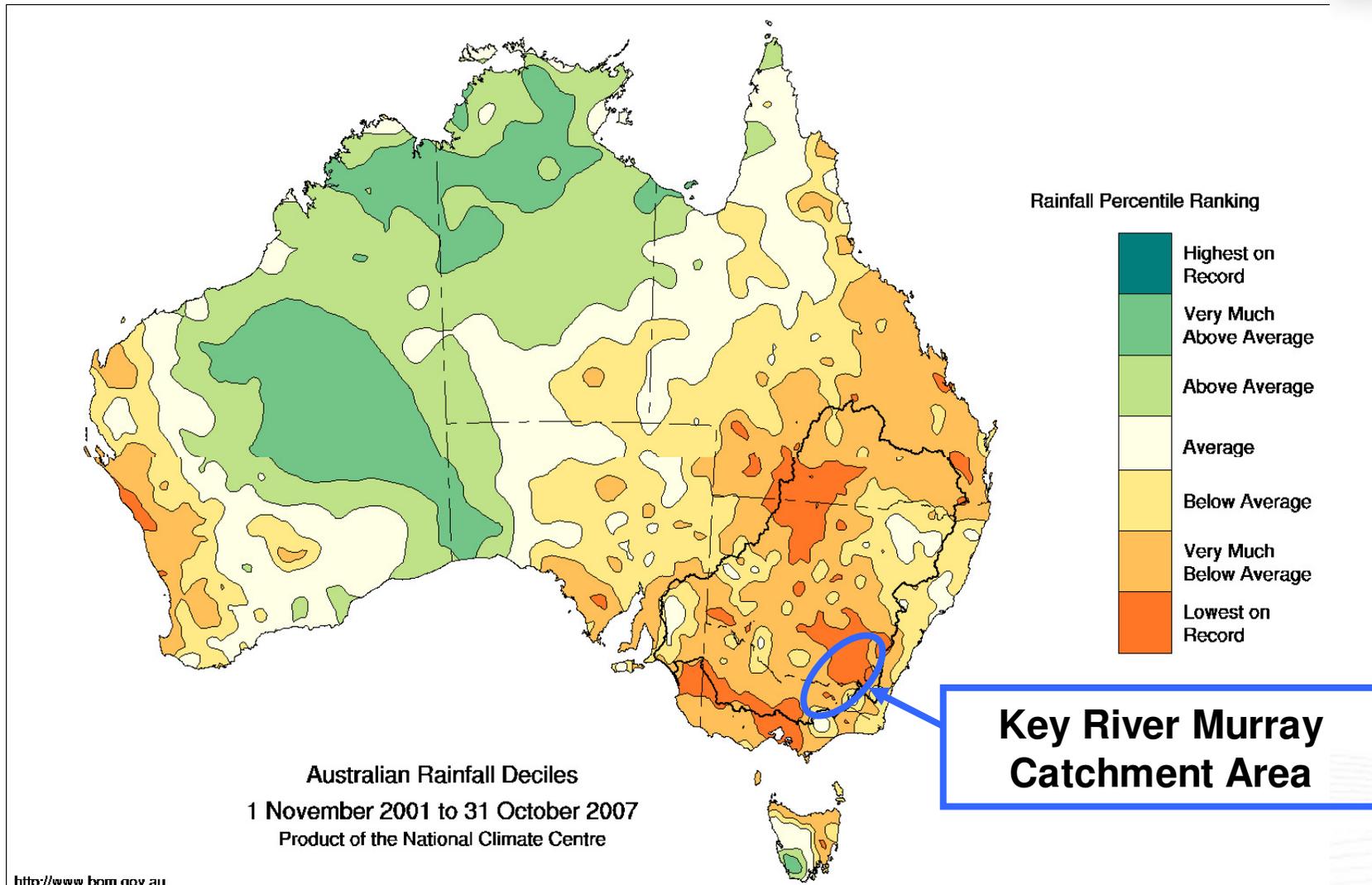
Sustainable Resource Management:

6. The Cap on Diversions
7. The Living Murray – Water Recovery
8. Water Quality Monitoring
7. Basin Salinity Management
10. Native Fish Strategy

Planning for the Future:

11. Sustainable Rivers Audit
12. Northern Basin Project
13. Integrated Basin Reporting
14. Risks to Shared Water Resources
15. Water Policy Development
16. River Murray Operations Review

Five Factors make this Drought Different



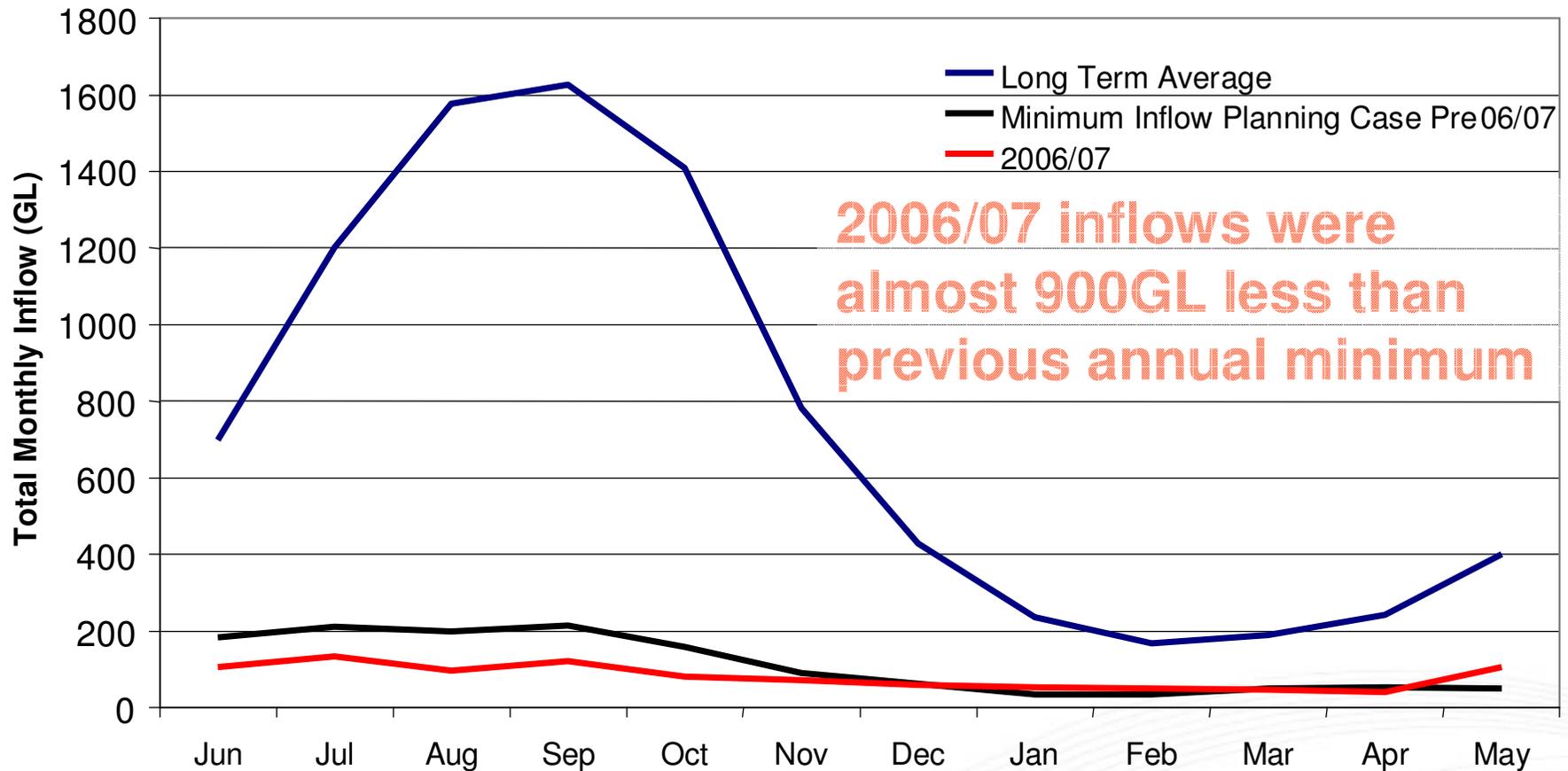
Australian Rainfall Deciles
1 November 2001 to 31 October 2007
Product of the National Climate Centre

<http://www.bom.gov.au>

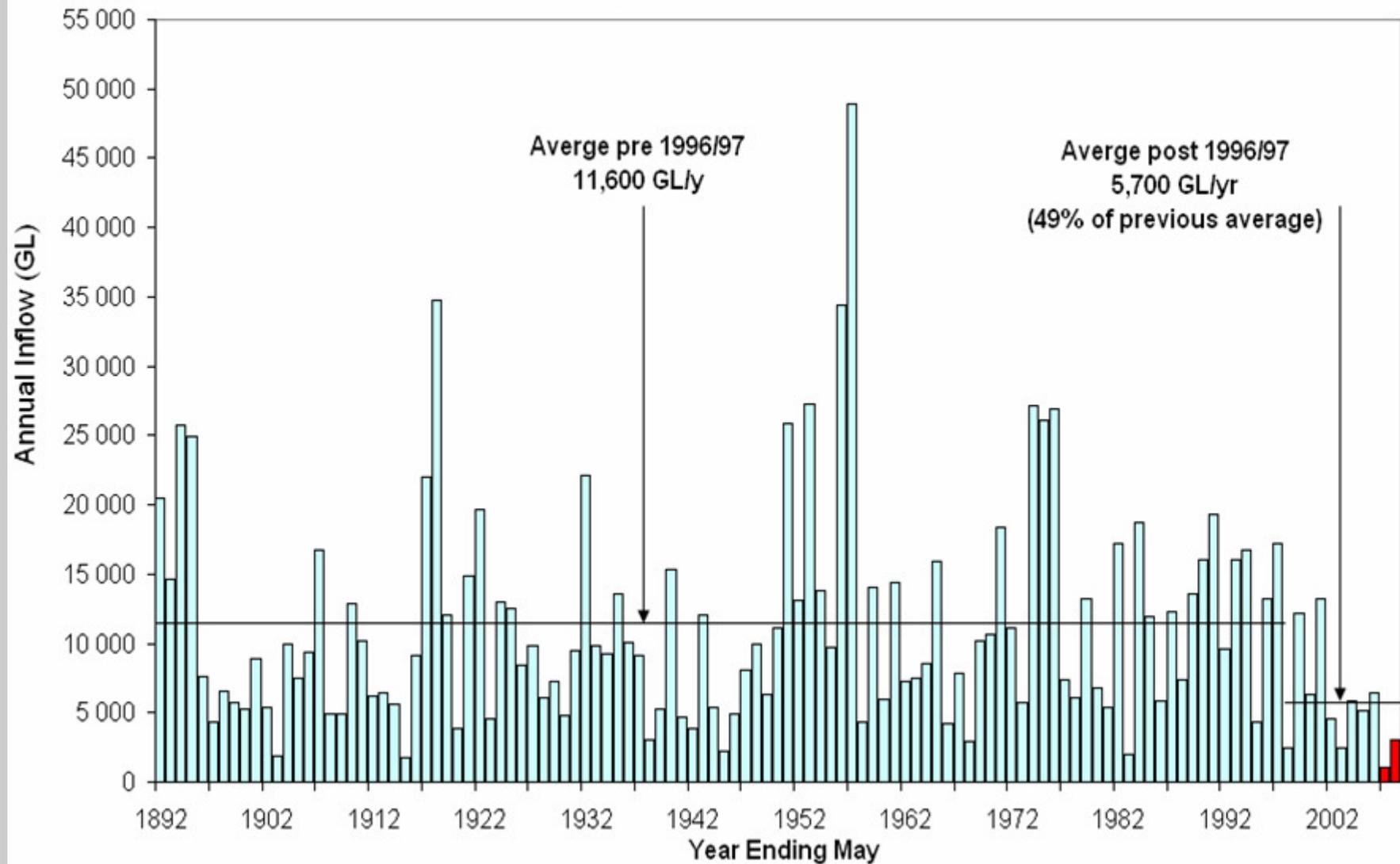
1. Record Low Annual Inflow 06/07



Inflows to the River Murray (excluding Menindee and Snowy)
Long Term Average and Selected Water Years



River Murray System Inflows 1891 - 2008

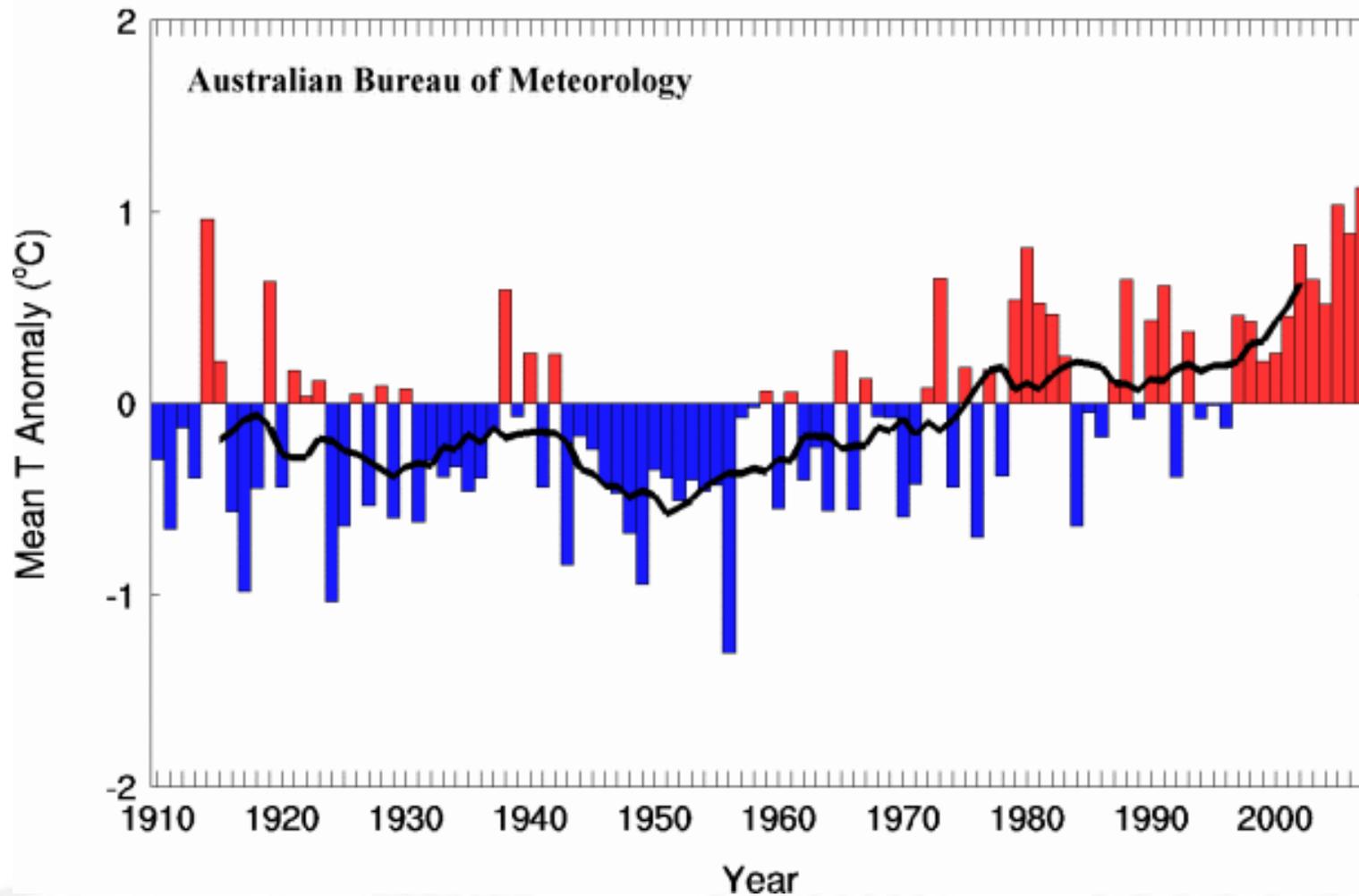


3. Record High Temperatures



MDB Mean Temperature Anomaly

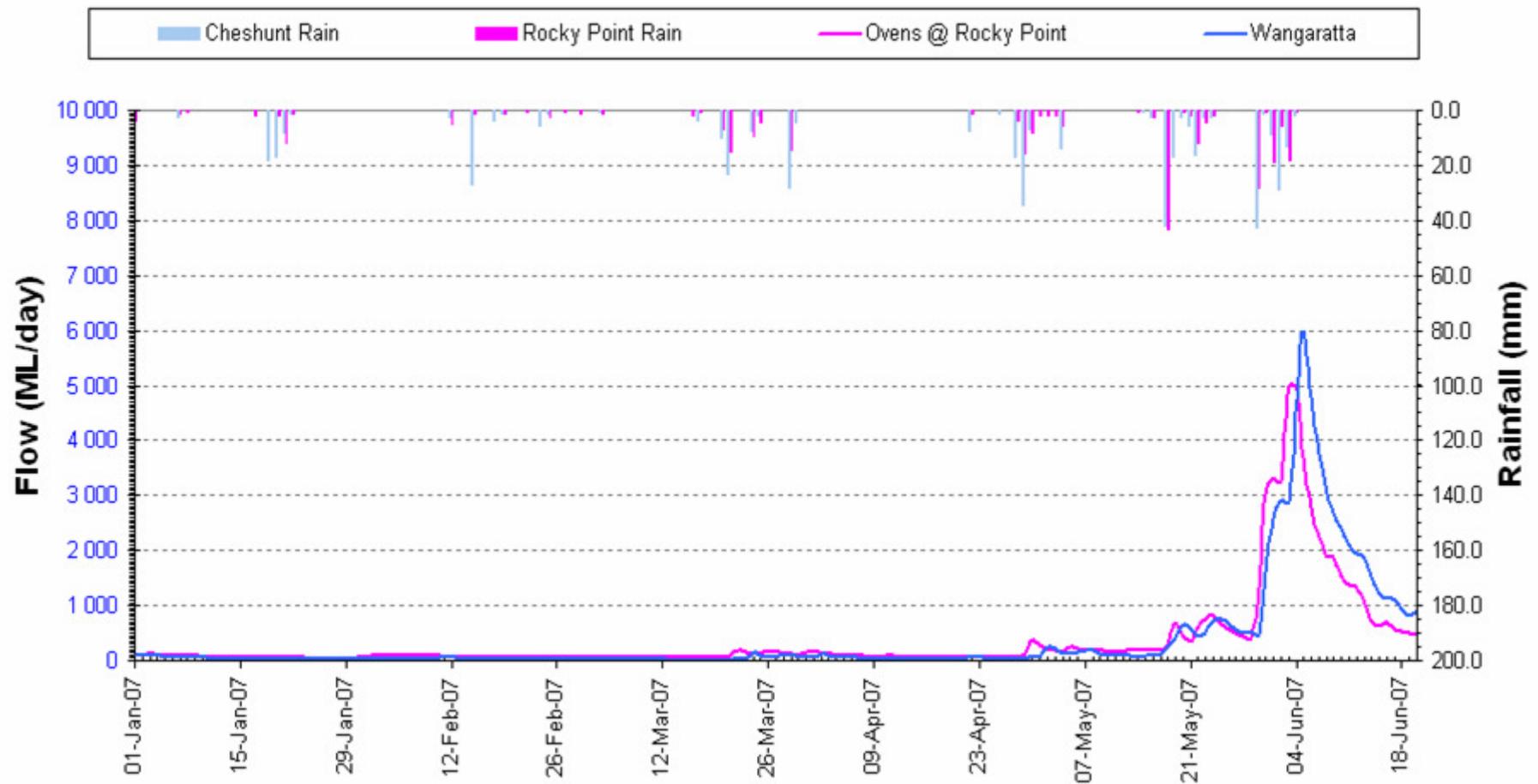
Murray Darling Basin Annual Mean T Anomaly (base 1961-90)



Dry Catchment Impact on Runoff: The Ovens River



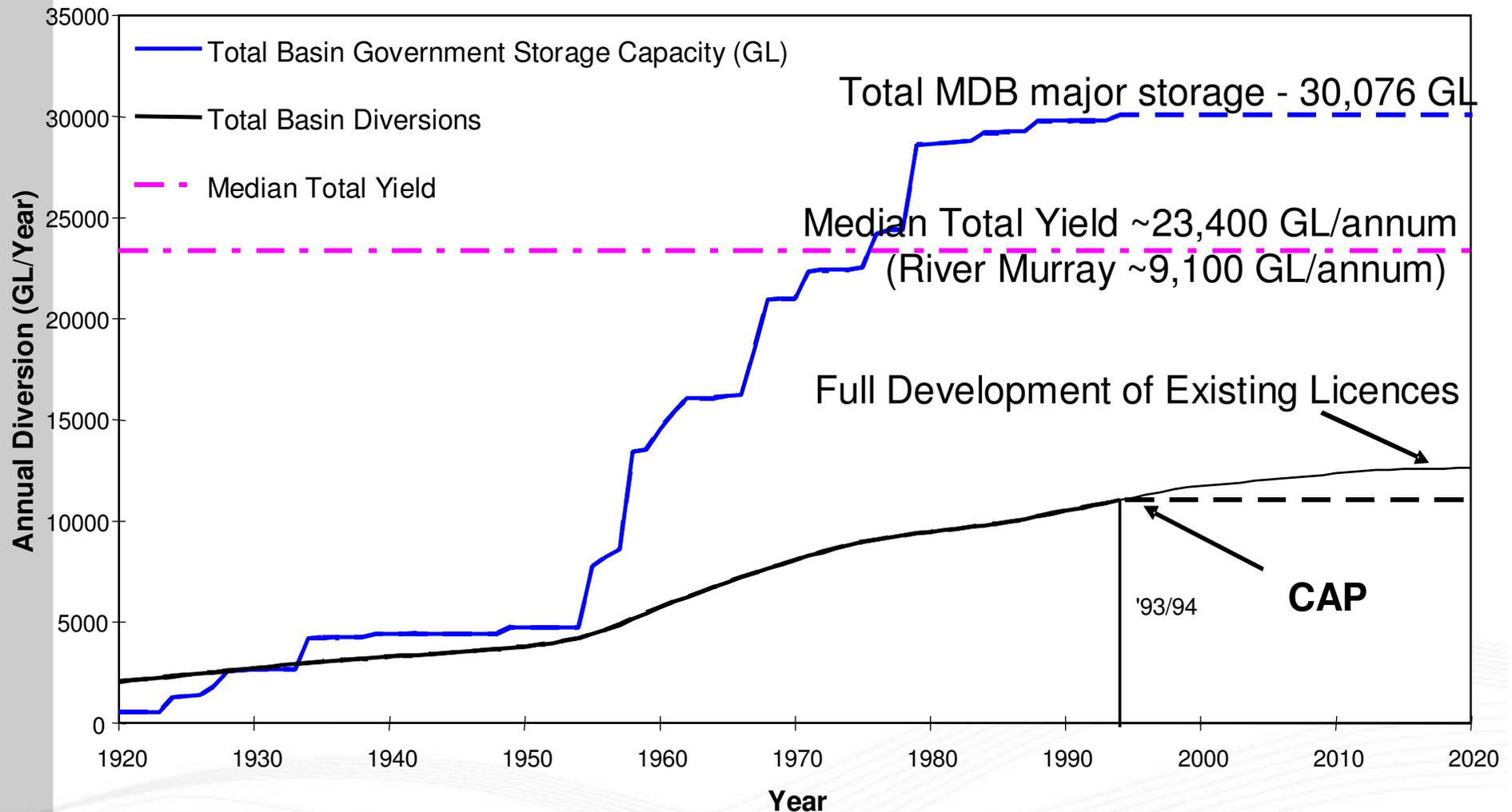
Ovens River: Flow response to rainfall events



4. Surface Water Over-Allocation

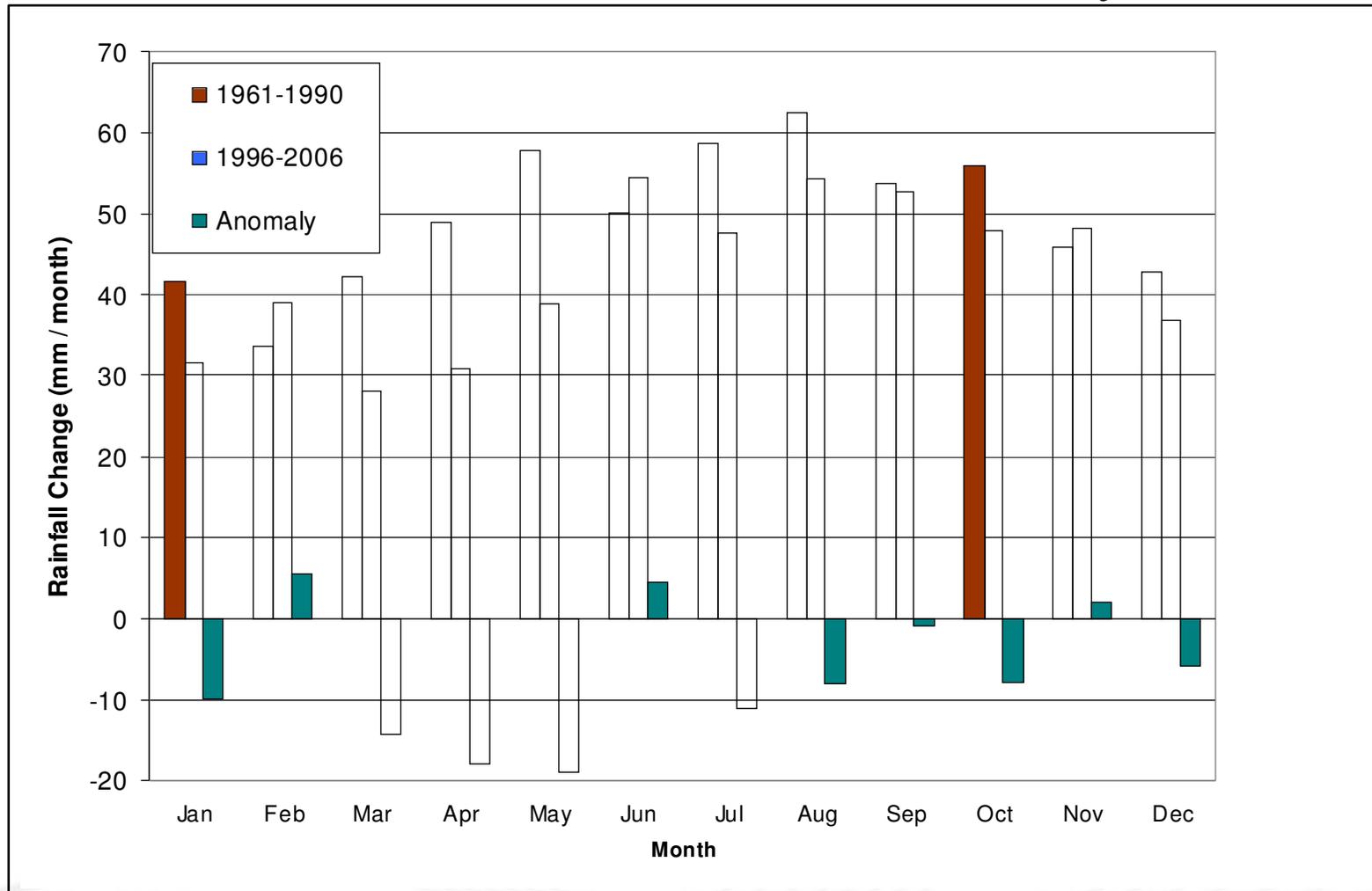


Growth in Water Use in Murray-Darling Basin Unsustainable, Over-Allocated Surface Water Diversions



5. Drier Autumns

Monthly mean south eastern Australia rainfall, 1961-1990, 1996-2006 and anomaly

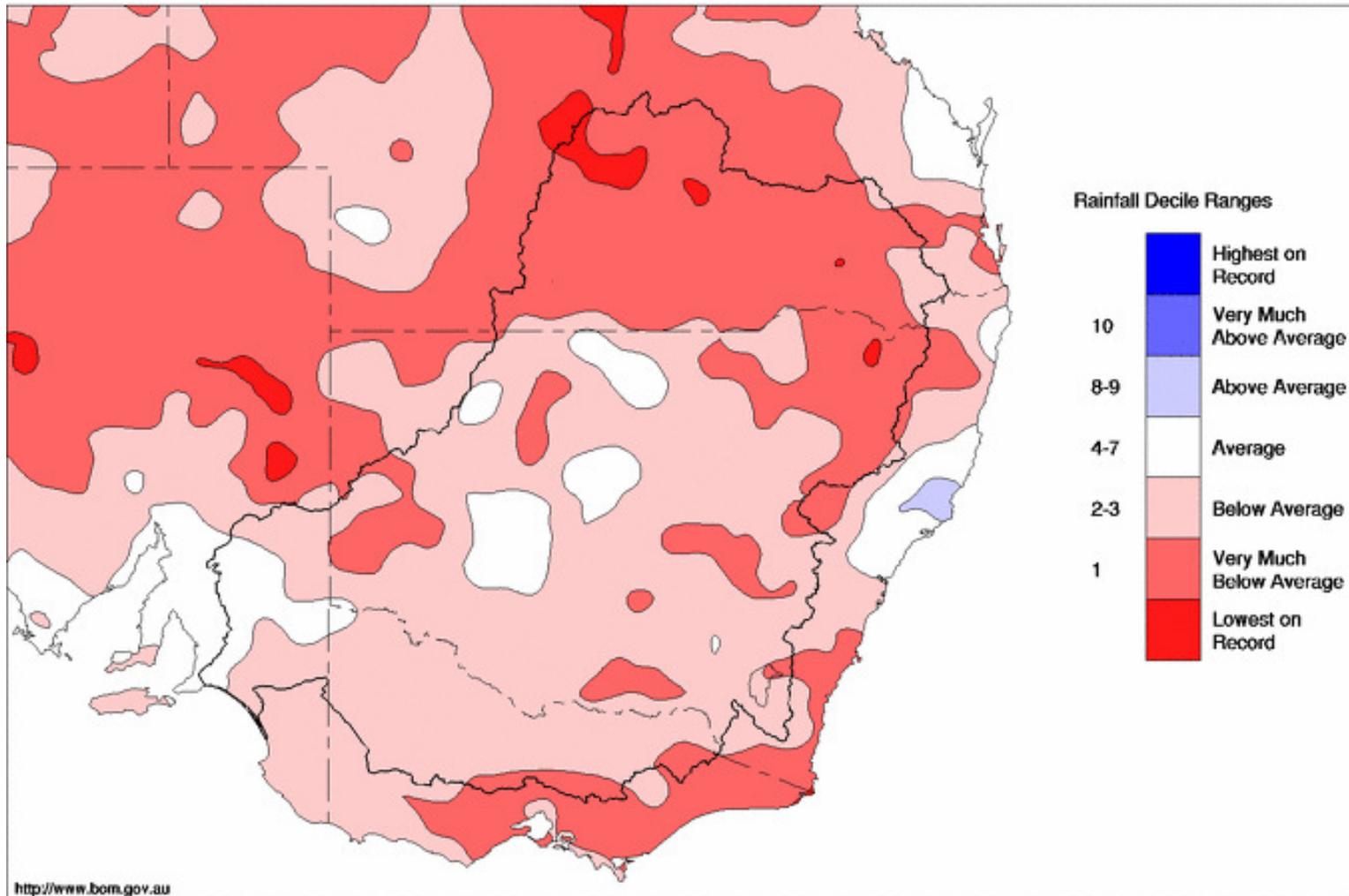


Rainfall Autumn 2008: March, April and May



Murray Darling Rainfall Deciles 1 March to 31 May 2008

Distribution Based on Gridded Data
Product of the National Climate Centre



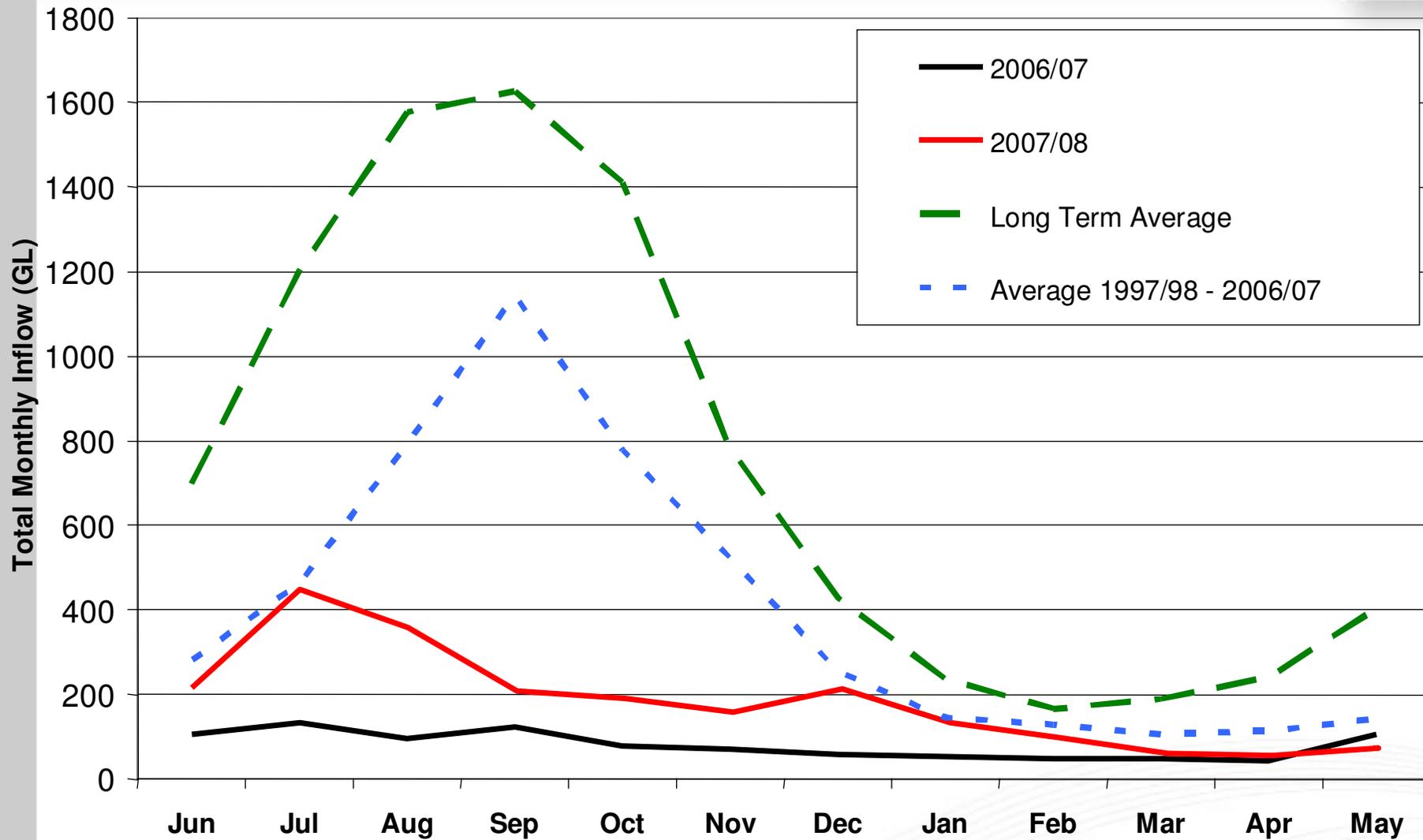
<http://www.bom.gov.au>

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Issued: 04/06/2008

River Murray Inflows:

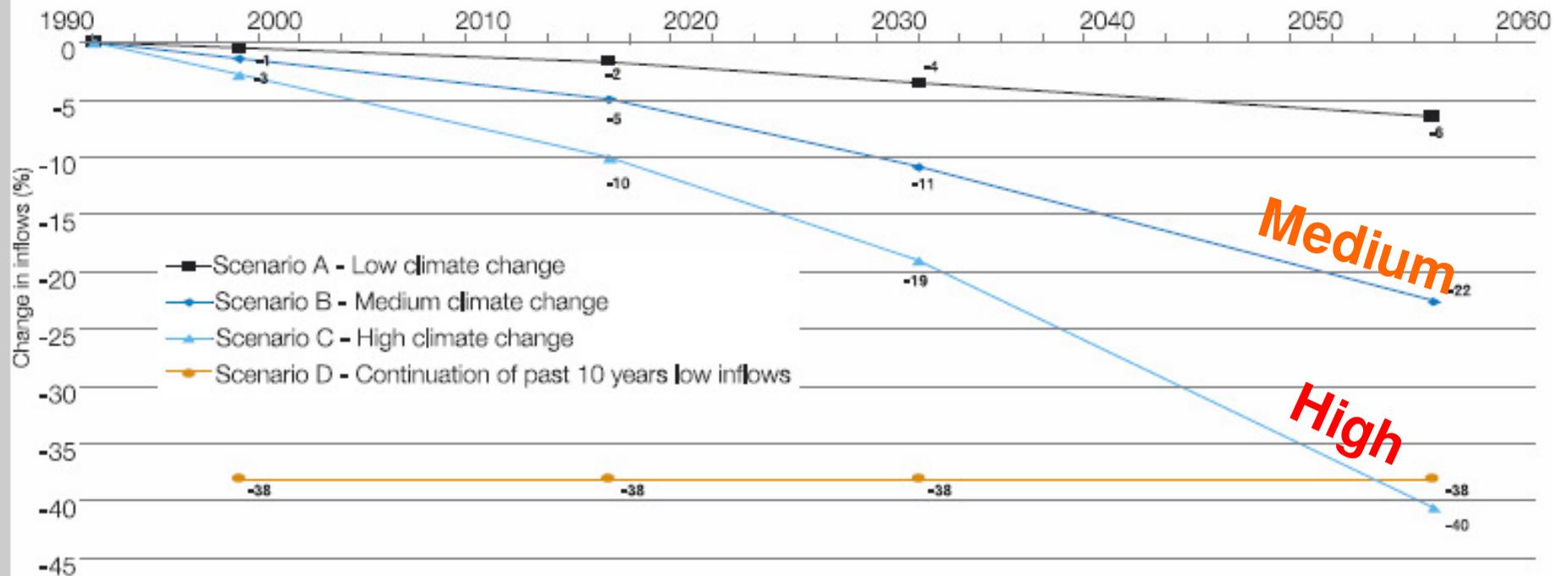
Inflows exclude Menindee and Snowy



River Murray & Climate Change: A Typical Prediction



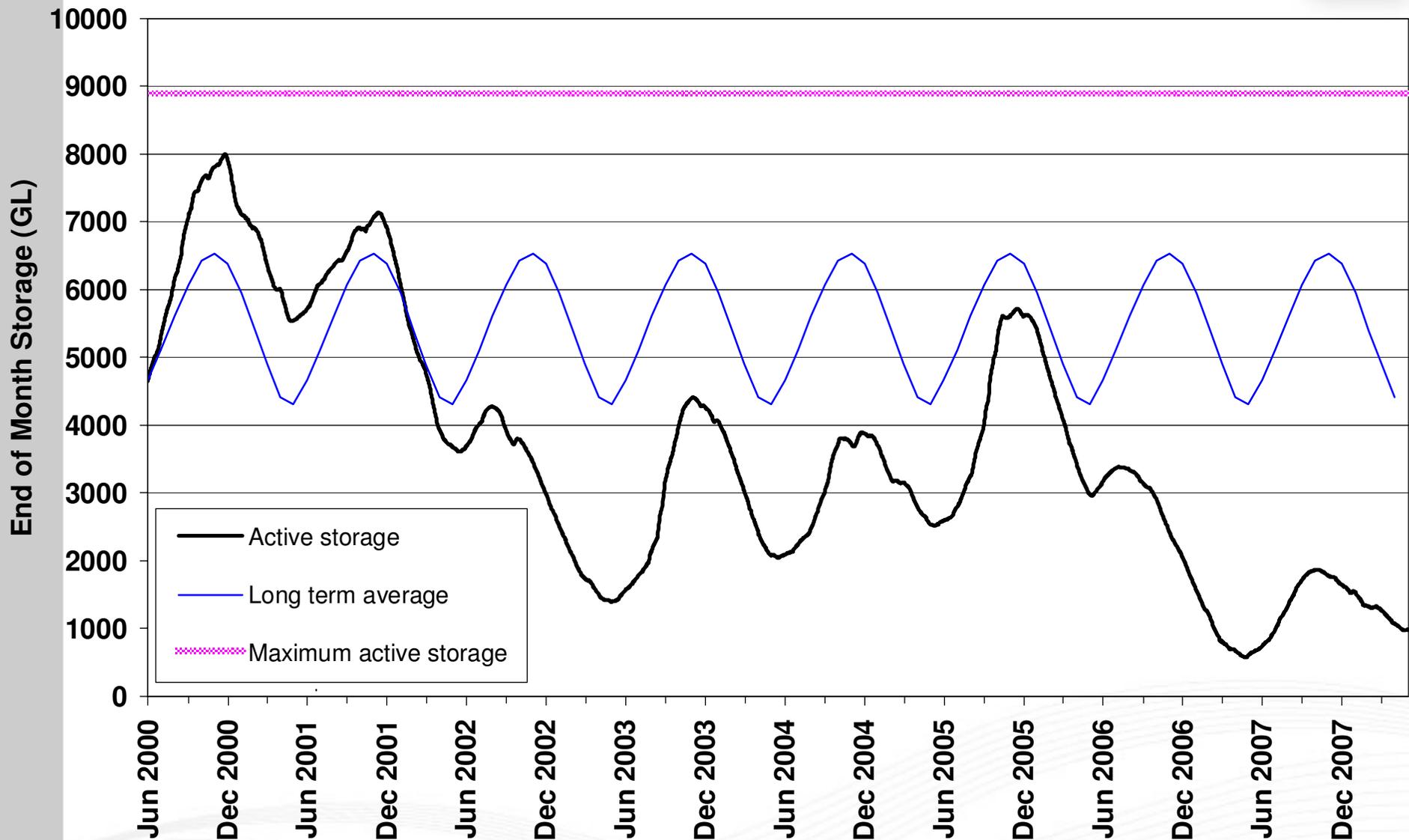
Figure E.2 Potential reduction in total inflows for the Murray system over 50 years (compared with the long-term average)¹



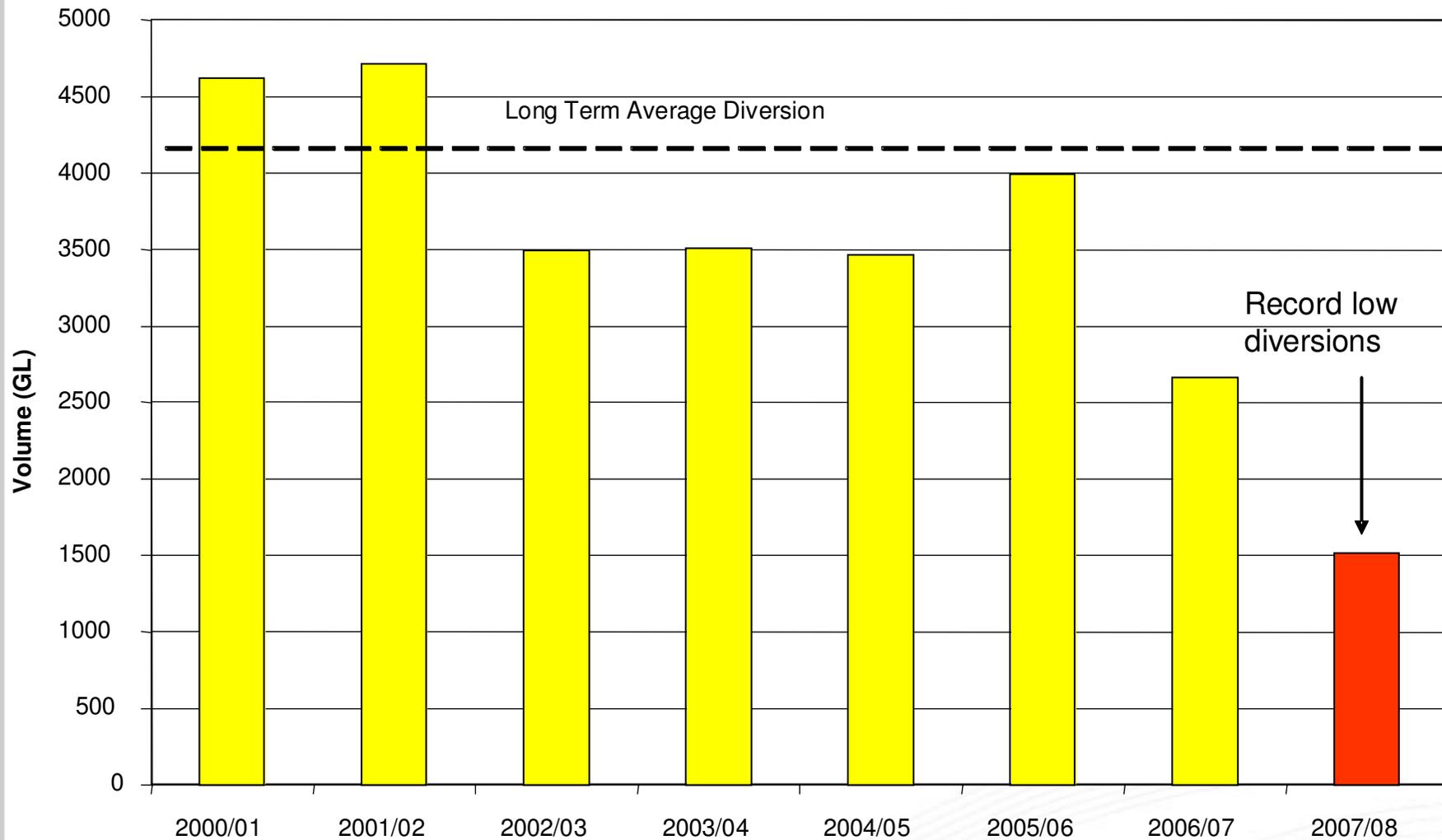
Source: Department of Sustainability and Environment Victoria – Northern Region Sustainable Water Strategy discussion paper 2008

Models consistently predict lower rainfall and streamflows

Active Storage: Storages are close to record low levels



Irrigation Impacts: 2007/08 Record Low Diversions



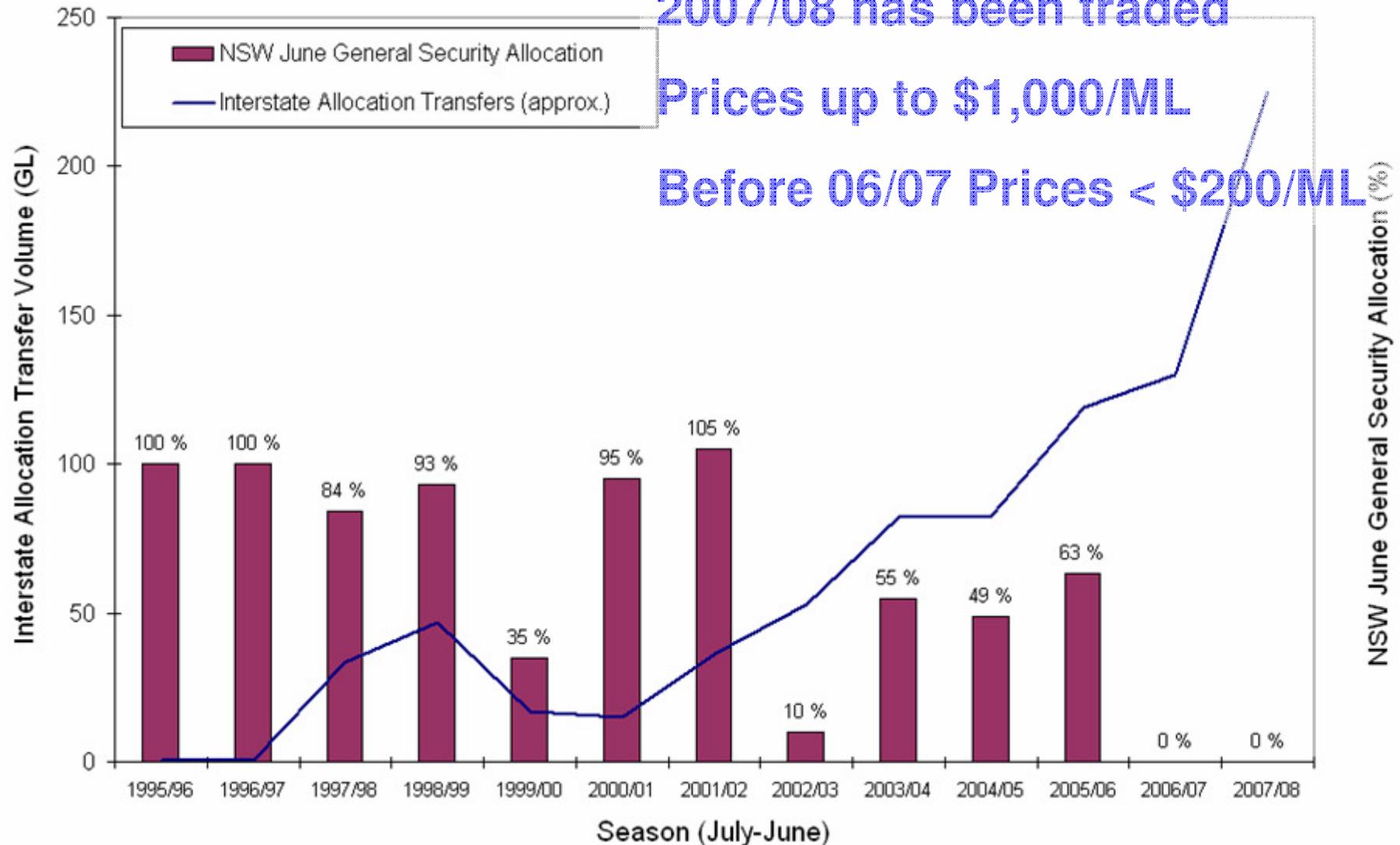
Inter-State Water Trade: Reducing the Economic Impact of Drought



≈ 30% of the water used in 2007/08 has been traded

Prices up to \$1,000/ML

Before 06/07 Prices < \$200/ML



Irrigation Impacts: Response from the Irrigation Industry



“Triage” of permanent plantings

- Unprofitable value varieties abandoned
- Mid-value varieties – survival, minimise impact on next year
- High value varieties – cropped but with lower yield



Modification of business practices

Significant increase in water trade

- $\approx 30\%$ of water used has been traded
- Record prices over \$1,000/ML



Wetland Disconnection



Acid Sulphate Soils



Lower Lakes Deteriorating





Risk Management:

Short-term contingency responses



Aim to reduce evaporation and losses and maximise flexibility:

- Retain water in headwater storages
- Lake Mulwala drawdown capture Ovens River peak flows
- Lower weir-pool levels reduce evaporation
- Reduced flows in the Murray, especially over Lock 1
- Early pumping to Adelaide storages
- Disconnecting artificially inundated wetlands
- Lower pumps at off-takes

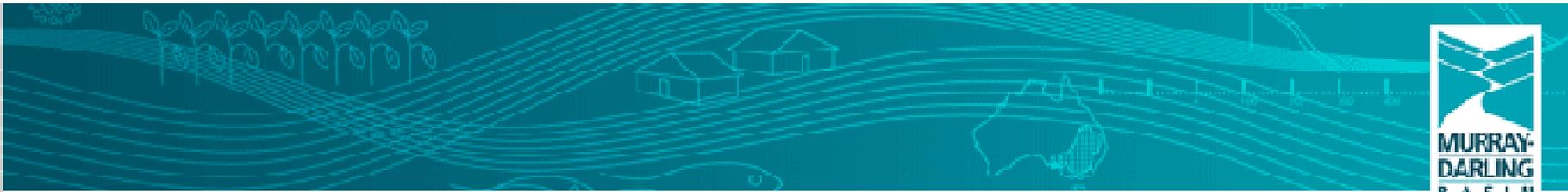
Risk Management:

Medium-term contingency responses



Aim to maximise water manager and irrigator flexibility:

- Critical water carry-over in all states
- Allocation water carry-over available for all irrigators
- Relaxed water trade restrictions
- Some contingency measures are continuing
- Communicating ongoing drought issues to irrigators and the public





- Rebalancing consumptive and environmental water shares
- Planning for new minimum flows
 - Impacts on irrigation and the environment
- More extreme events
- Technological advancements
- Social adjustment



www.mdbc.gov.au