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South Australia's forgotten water

By Peta Martin, ABC Riverland

A past miscalculation of water allocation may devalue Murray water shares in South Australia.

The chair of South Australian Murray Irrigators (SAMI) is concerned the value of water licences may be diminished because the State's forgotten about 68 gigalitres of water it historically sold licenses for.

South Australia has historically sold 824 gigalitres of water entitlements from the River Murray.

Meaning at any one time we should expect that water license holders could take their legal, and bought, entitlement totalling 824 gigalitres.

However during past water negotiations made as a part of the Murray Darling Basin Agreement, which was last updated in 2008, the State agreed that SA's take from the River Murray was to be set at 756 gigalitres.

The discrepancy of 68 gigalitres becomes more worrying when it's considered that under the Draft Murray Darling Basin Plan, South Australia is being asked to reduce its initial take from the River Murray to 665 gigalitres.

It would mean the total figure that South Australia is allowed to use for critical human needs, industry and irrigation is 159 gigalitres short of what has historically been sold for use.

Caren Martin, Chair of SAMI, says we need to take a step back and address the forgotten 68 gigalitres before we move forward with the Basin Plan.

"It's....a discrepancy and it needs to be addressed.

"I think as we head into the Basin Plan and we take on a new water reform system we'd like it to be built on a strong foundation."

Ms Martin believes the 68 gigalitres of water were missed, when South Australia tallied its amount of take from the Murray at 756 gigalitres, because many water license holders did not use all of the water they had purchased.

"South Australian entitlement holders have approximately 825 gigalitres entitled to take.

"Due to sleeper licences or people allowing their water to float down the river (for the health of the river), as they did in the past, only 60 to 70 per cent of that [825] gigalitre take was ever utilised and that is reflected in our diversion limits; which is that 756 agreed level."



Disher Creek, a part of the SA Murray River system (Peta Martin, ABC Local - ABC Local)

Caren Martin warns the big concern is, if the missing 68 gigalitres isn't accounted for now South Australia may have to devalue each share of water, already licensed, in order to equalise and account for the over allocated 68 gigalitres.

In essence one share of water may not equal one kilolitre as it does today.

It may be that every South Australian Murray water license holder finds that, for example, a one kilolitre share of water, already bought and paid for, might become point nine of a kilolitre in volume.

"The issue comes when we allow trade to occur and should those sleeper licences start to become active, as they did in the drought, we start to push the top of those cap levels and caps start to become dangerously close to being breached.....

"I think under the new system where they [The Murray Darling Basin Authority] are looking at consumptive pools and allocating water from a consumptive pool out to the shareholders under these sort of maths scenarios one share [in Murray water] can not equal one kilolitre and maintain the integrity of the caps."

Ms Martin says, as difficult as it may be to resolve the issue, South Australia can not ignore the missing 68 gigalitres.

"We certainly can't ignore it because it's a property right, people have purchased it, they have invested upon it, it has value attached to it and you need to address it.

"If you erode its value and its integrity you will erode the asset base.

"And you will financially hinder people and potentially send them broke and you will have definite impact on their business.

"It's certainly something that needs to be sorted out and sorted out with integrity."

Ms Martin has requested a meeting with the South Australian Government to get some clarity around the issue.

